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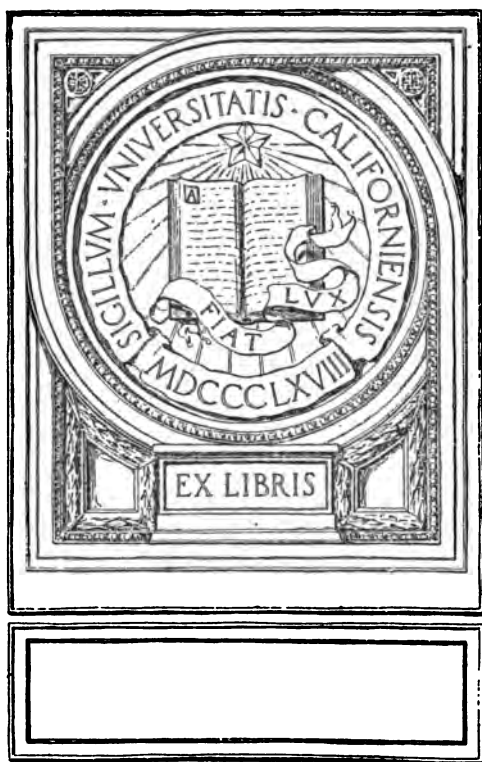


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BY

I. CRANE CLARK



The Automatic System

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By I. CRANE CLARK

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The Automatic System

TREATING OF

The Doctrine of the Triple Tax

BY I. CRANE CLARK

ATTORNEY AT LAW
OF
"CALIFORNIA"



D. S. CLARK, PUBLISHER
DENVER, COLO.

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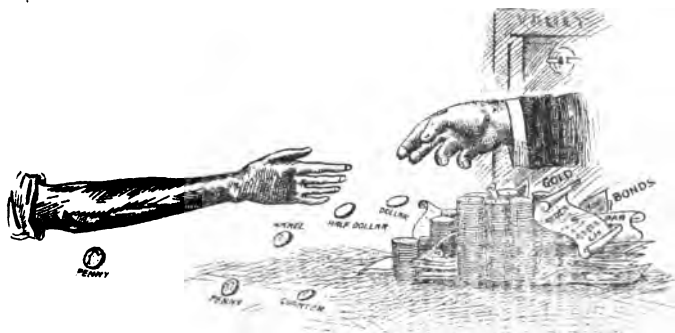
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DEDICATION.

To Andrew Carnegie, Poor Boy, Energetic Youth,
Man of Iron, of Success and of Millions:

I believe that you are a representative of the capitalistic class, who sincerely feels and acknowledges the responsibilities which are incident to the powerful position which you occupy among men, and that you are honestly working for the good of society. I believe, also, that the bringing about of that good can best be accomplished by the capitalist and the laborer approaching the solution of the questions between them in a spirit of friendliness and of mutual forbearance, and subjecting those questions to the calm reasoning which men possess in moments of peace.

Hence it is that I, representing the laborer, and working also for the good of society, conceive that the only true solution will be one beneficial both to the laborer and his employer, and in presenting such a plan to the public, am willing to ignore the disparity existing between your eminent position and my own obscurity, and dedicate this work to you. May the efforts of both of us be productive of good. Shake!



PREFACE.

In presenting to the public this work, some seven years after its completion, the author does so without the slightest fear that the lapse of that interval has rendered it in any sense behind the times. He felt when he wrote it that its pages were fraught with advanced thought, and now at the date of its tardy appearance, he believes that it is still some years ahead of the period in which it is published.

Several months after writing it he entered into a contract for its publication, but finding that the publishers were unable to do the advance advertising which their contract called for, he cancelled the contract, paid them for the work as far as it had progressed, and stored the electroplates away in a closet. The preface to the book as then proposed was as follows:

"As indicated by the date attached to the closing note of the author, this work was completed by him October 1, 1900. Some months elapsed before he attempted to make arrangements for presenting it to the public, and hence it is that it now appears, almost a year after its completion. The work covers a large field in reform ideas lying between the present system of government in this country and a Socialistic form of government, and demonstrates that, without resorting to a state of absolute Socialism, and without giving up any of their personal liberties, individual rights or great public institutions, the American people may, within a comparatively short time, hope for relief perfectly adequate to their needs, and far more desirable and beneficial than such a state or Socialism could possibly be."

The above explanation is made in order that the reader may understand why, in the case of the few statistics used, the figures relate to a period over seven years ago.

Respectfully,

I. CRANE CLARK.

November 2, 1907.

THE AUTOMATIC SYSTEM.

CHAPTER I.

INTRODUCTORY.

Laying aside, for the time being, that becoming modesty which has always graced my acts in private life, I now enter upon a public career and announce myself a leader of mankind. I have long waited for an unobserving public to penetrate my humble exterior and recognize for itself my fitness for the position I now assume, but time has convinced me that the great ability which I possess as a statesman and leader of men is destined to pass unnoticed by those who might otherwise profit by it, unless by some act of my own I cause the light of publicity to fall upon me; and hence it is that, disregarding my naturally retiring disposition and sensitive feelings, I present myself to my fellowmen in the following pages. I beg, however, that none of my readers will for a moment attribute my action to a desire for personal glory, but that all will accept my statement when I say that I am the most humble and unassuming of men and that nothing but the strictest sense of duty impels me to my present labor. If, from reading the daily press, from hearkening to the voice of the pulpit, or in scanning the laws that come from our various Legislatures, national and state, I could note any indication that the sons of men were about to solve the problem of harmoniously living in peace and prosperity, my pen would remain inactive; but

the hopeless manner in which affairs are drifting along, and the very apparent inability of mankind to properly use the advantages which art, science and mechanics, by the grace of God, have given us during the century now closing, lead me to believe that the time has arrived when I should put aside all false ideas of modesty, and courageously take up the burden of teaching my fellow citizens how to govern themselves. I am aware that many books have been written on the subject, and I will state that the more of them I have read the more helpless has mankind appeared to me, for while those books have been very eloquent in describing the conditions which confront us, and while some of them have quite closely (although not fully) analyzed the causes which have led to those conditions, still not one of them has suggested a satisfactory remedy capable of being immediately put into effect under our present form of government. It is my purpose in this book to supply such a remedy.

Think not from any statements here made that I look back upon the glorious history of men and events from the beginning of time and conceive myself to be the greatest character that has appeared upon the scene—not at all! The past has had its situations and no one has more admiration and respect for the great and honorable men who have dealt with its difficult problems than I have; and as for my contemporaries, the world abounds with eminent men, too numerous to mention, who are infinitely superior to me in everything but the subject on which I now write; but that subject is one that has become of paramount importance to the great body of the people,

and I must, therefore, modestly, but firmly, insist upon taking my position as the man of the hour!

Those who turn the pages of history in search of an object lesson to guide them at this time will be disappointed, for there is nowhere in the annals of history a situation which presents a parallel case to the present. Conditions have changed. The situation is unique and the problem is larger than it has ever been before. Today steam locomotion on water and on land quickly and cheaply transports the people and the products of every part of the world to every other part. Today artificial refrigeration gives assurance that such of those products as are perishable will arrive at their destination thousands of miles away in as good condition as when they started. Today machinery not only augments the producing ability of labor in almost every line of industry, but in many instances actually displaces labor. Today electricity exercises its mysterious potency to the end that the happenings of the uttermost corners of the earth are known to the inhabitants of the entire world upon the same day that they occur, and the price prevailing in one market on the face of the globe determines the price that must prevail in all. Today the daily press of the world gives to every man information as to the doings and the markets of every country and of every clime. Today the starting or closing of a certain factory in Maine may raise or reduce the wages paid to laborers in California. Today what a man will pay in America for Minnesota wheat depends on whether another man in England is buying wheat in Russia or buying it in the United States. Today men, women and chil-

dren are learning, not trades, but simply **parts** of trades. Machinery is not used to assist **people**, but people are hired and paid poor wages, as "**unskilled labor**," to assist machinery, and there is **every** reason to believe that the inventive faculty of **the age** will continue to improve machinery so that it will need the assistance of human labor less and less. Today laboring men and women, and people generally, *are more dependent on the social system under which they live than they have been at any time in the history of men*, for, while they are more learned in literature, in the arts and in science, still we have fewer persons who are thorough in any trade than we ever had before, because, from the very necessity of the case, industries are being carried on on a larger scale, and divided up into departments, and all that any workman is required to know or learn is simply what pertains to his own department; and in a factory or institution employing hundreds of hands it often is the case that the only one familiar with the entire business is the manager, superintendent, or foreman; and this is becoming true on the farm as well as in the factory. Thus you see that the great class known as "**unskilled labor**" has become very numerous, and will become more so. Today those who belong to this class are weak and helpless, and a great number of them are unemployed, and their only hope is in just government. These people, who are in many instances well educated and intelligent and anxious to be good citizens, are *absolutely dependent on whether or not some one will give them employment*. They are destined to constitute the great mass of the people of all countries, for there is less and

less call (in proportion to the population) for laborers who are thorough masters of any trade, and the professions are being overrun. The man who wishes thoroughly and honestly to probe the question of whether or not a country is in a state of general prosperity will do well to examine the condition of this class of people. The laboring classes of today, as of all ages, are humble and lowly, of necessity; but they are not (in one respect) so distinctively a class as formerly. We already find the artist, the professional man and the college graduate struggling in their ranks, side by side with the horny handed son of toil. Today the struggle for livelihood and wealth is becoming fierce and men are being strained to the breaking point. Today the depth to which a man may fall in poverty and privation is limited only by his power to endure distress and his ability to resist criminal impulse. The common ground upon which men may sink when they fail in the great struggle for wealth and position is too cold and too hard. This is the ground from which the common people of all countries must operate, and the successful government of the future will be the one that takes steps to raise this ground to a higher plane, to the end that its citizens may have the satisfaction of knowing that even the weakest among them are prosperous. Today we are troubled with that which an ordinary honey bee would hail with joy, in that we have a thing known as over-production, and are face to face with the ridiculous fact that, because mankind is able to produce a great deal, therefore we must have hard times. Today, if God, in His goodness, were to give a bountiful crop of corn, wheat or cotton to one

part of the world, and refuse it to other parts, the part thus favored would be prosperous, but if He were to give to every part of the world a good crop of corn, wheat or cotton, we are face to face with another ridiculous fact, and that is that many *planters* and *farmers* all over the world would, on account of the large supply, experience very hard times.

Let me put a question to the reader: Are you a laboring man, a professional man, a farmer, or are you engaged in mercantile business? And, whatever you are, let me ask you this: Do you turn every day to the market quotations in your daily paper? Do you know how to use the telegraph to your profit? Do you know how to scheme around and procure special freight rates? Do you know how to corner a market? Do you know how to form a trust? Do you know how to obtain knowledge of mercantile events, and do you know how to use that knowledge after you get it? I venture to say that you do not. Few men do. Yet I want to say to you that there are men and sets of men who are masters of this art. Are they using their knowledge today for your good or for their own? You are a clerk in some office or you are a workman in some factory. Can you cope with those men? You have a boy seven years old. He has just started to school. Can he cope with those men? Who is looking after your interest? Who is looking after the interest of that boy? When he grows up and wants to get married, who will give him work? What kind of work will it be? What wages will he receive? How much will he have to pay for a pound of beef? How much will he have to pay for a ton of

coal? Shall we go drifting along until we are on the breakers, or shall we begin to guide ourselves?

Many writers have given us voluminous works containing valuable statistics and minute information on subjects that come under the head of political economy, but we have had few works which draw correct deductions from those statistics. Many who consider themselves well up in the study of political economy, after a great deal of labor, have gotten little farther into the subject than to be the compilers of great masses of statistics and material. They are like a student of hydraulic engineering would be, who limited his efforts in the mastery of that science, to the discovery of the location of and general information concerning numerous bodies of water, thinking that, because hydraulics is a science pertaining to water, the preliminary study is never finished until he has discovered all the water in the universe. Certainly his work would be of value for the purposes of geography or naval survey, but would it be valuable in connection with the science of hydraulics?

Students of political economy who exhaust themselves in the preparation and study of statistics make a mistake. Conditions are always changing, and even if they were not, the work of preparing information of this kind would never be finished. In this work I shall endeavor to tire the reader with but few statistics, and shall boldly undertake the task of treating the subject of political economy from a scientific standpoint.

If we will look around us today we will see that the powers that be have surrounded us with hundreds of the most useful advantages. Men of sci-

ence and of genius have given to us discoveries and inventions of great value, and in all the professions there has been great progress with the exception of one, but that one is an important exception: I refer to the fact that today we have for lawmakers men who are for the most part simply politicians, and totally unfit to perform the duties devolving upon them, being in many instances the representatives of boodle cliques and the willing tools of political gangs composed of the lowest order of society. I think I can hear many of my readers ask: "Does not this insufferable ass know that the United States is the greatest nation on earth?" Yes, thank God, it is! It is greatest in its past, greatest in its present and greatest in its hope for the future; great because we have free speech and a free press; because we have guaranteed to us our civil and religious liberty and the pursuit of happiness; because of our grand public school system; because of our efficient postal system; because of our jury system; because of our right to ballot, and because all men are equal under the law. But these things were all set in motion years and years ago. Our public men of today hold positions and follow out systems for the inception of which we are indebted to our ancestors. While in every branch of science and mechanics new ideals have arisen, for our statesmen we turn to the past. We look upon those old fellows with regret. We would like to have them with us today. They were men of progress, and the nation has moved forward as the result of the impetus they gave to it. The laws with reference to immigration, with reference to patents, with reference to corporations, with reference to revenue and

with reference to money and banking institutions which those men put into force paved the way for private energy and private capital to accomplish all that has been done in the way of the laying of most of the railroad lines which penetrate every part of this country today; in the way of opening up mining and farming lands and in the way of bringing about those vast manufacturing establishments which have shown the world what perfected machinery and organized industry can do. But some of those laws have served their usefulness, and although very beneficial in their day, are absolutely harmful at the present time. Governments can not stand still. As conditions change the slack in the rope must be taken up. Who is attending to this matter? This is a government of the people. You are one of the people. Now I want you to scratch your head and answer me a question: Are you taking any particular interest in running the thing? Do you know any of your friends who are? Do you think the little blow which you strike on the governmental machine with your vote makes much of an impression? It is a grand thing to have a vote, but it is absolutely useless to have it unless that vote accomplishes something more than gratifying a feeling of Fourth of July sentiment.

This may appear to be pessimistic, but it is really my purpose to carry to mankind a message of hope. When compared with its glorious future, humanity is today in but a state of chaos. Blink-eyed out of the dark past come the troubled races. The leaders of the various hordes are just beginning to realize that they are marching them toward a com-

mon point where shines the great light of truth on the heights of idealism. They are just beginning to realize that the affairs of men, although complicated, have nevertheless a limit and a scope which may be brought within the workings of a perfected system. Humanity is but now emerging from its "Tower of Babel" period in the working out of such a system. In an article recently appearing in the daily press it was stated that over 900 different dialects contribute to the "confusion of tongues" of the sons of men and hamper the exchange of their ideas and knowledge. Can you not see that the great vine of civilization has only now succeeded in sending its tendrils around the world and under the quickening influence of this age of electricity and steel is just beginning to gather its parts together preparatory to putting forth the perfect flower of an ideal humanity?

I bid thee hope! The time is coming when men and women will be beautiful, perfect, healthy beings; when that the body will be a fit receptacle for the soul, and when that a worthier race will survive, to whom will be revealed the secret of life and the reason of our existence. If among all the millions upon this globe there existed but one breast in which the seed of that ideal humanity were implanted I should not doubt the ultimate survival of that God-given spark. How then can I doubt the future of the human race when I see the fight for progress and betterment which is being made by noble men and women of all races and all climes?

However, any system under which men operate to be a success must be a system comprehending all the interests of mankind on the subject sought to be

controlled, and yet must be a system so devoid of complications as to be of simple operation. I conceive (and will hereafter state my reasons therefor) that at this time there is no subject which it is so important for the human race to have controlled as that relating to their commercial dealings with one another, including as it does the great questions of finance, property rights, labor, corporations, trusts, etc., and I propose to treat the matter as an exact science and present for your consideration a perfect system. Don't you realize that you have practically no system at all? Your machine as now constructed has not in its whole makeup one perfect wheel. Its parts do not begin to reach the materials with which it must work. All is friction and strain and break-down. See the railroad magnates put through a deal and boom a certain stock! See the money kings produce a stringency and bring that stock down again! See a labor union succeed in having wages raised in one particular line of industry! See a trust put up the prices of the output produced by those laborers to offset the raise! See them yank the commercial machine back and forth! See the suffering and crime and desolation accompanying these operations! Do you not realize that one part of the machine is torn down in order to let the other part work? Would it not be better if it were a perfect and smoothly running machine designed to work without friction by reason of the fact that those who had constructed it had carefully studied the commercial proposition as a whole and taken into consideration those things which had theretofore caused the strain and friction?

In laying before you later on in this work the plans of a perfect commercial system it is my purpose to take up the question of political economy and at the point of its juncture to the problem of civil government, reduce it to an exact science; but I think it well at this portion of the work that I should partially outline the system, without, however, attempting to set out the entire plan, or to show its application to present day conditions until I reach the discussion of that subject in its proper order in a later chapter. Taking the doctrine of equality among men as being the underlying principle of a republican form of government, I shall propose a practical application of that doctrine to the three things of most importance to the physical welfare of man, to-wit: land, labor and money—land being necessary to the existence of humanity at all, labor producing from the land the means of livelihood, and money being the medium by which the various products are interchanged. By taxing each of these in the manner which I shall suggest, a continual process of equalization will be kept up with reference to all of them. In the case of the labor of the individual man, this tax is unnecessary, as there already exists a natural equalization of labor in that respect, but where labor-saving machinery is used, the labor represented by that machinery will be taxed. The tax on money will be a small automatic monthly tax, not depending for its collection upon the honesty of the holder of the money, but the money itself, showing plainly whether it has been taxed or not. However, the tax will not result in the money becoming of odd or disproportionate denominations or in the loss of

the decimal system in our money. The tax will, however, prevent money from being used as a means of hoarding wealth and will insure its being constantly in use as a medium of exchange. The products of labor, on the contrary, will not be taxed, and men, instead of trying to become rich in money, will thus be encouraged to become rich in the products of labor, i. e., buildings and improvements on their lands, in diamonds and precious stones, in gold and silver (which will not be money under the proposed system), in libraries, works of art, stocks of goods, etc. The government will then be in charge of all railroad and street car lines, of all electric light and power plants, telegraph and telephone systems, water works, coal and iron mines, oil and gas wells, and all such industries which are of a semi-public character, and the money then in use will be redeemable in the service of products of any industry operated by the government.

Henry George, in his doctrine of the Single Tax, has evidenced a faint perception of how important a factor for equalization among men the power of taxation vested in governments can be made to become; but the Single Tax would simply be a faint blow in the right direction. It is an implement entirely too short to reach the object striven for. It ignores the co-relative importance of that great physical trinity: land, labor and money; and by controlling the affairs of men with reference to simply one of them, seeks to cover the whole situation. In contradistinction to this the plan of government which I am advocating in these pages might be called "The Triple Tax," or "Advanced Henry Georgeism." Before you will

believe in it, you must read its application to present day conditions as set forth in the pages which follow. I would also state that I present this plan to you not as a suggestion or a piece of advice, but as a prophecy. In other words, I believe that while at certain times certain men loom above their fellows and are made the instruments of providence for the time being, still they are but incidents in a great general plan that moves along, directed by a higher impulse than any one man can possess. In that view of the case the true reformer should do as the wise physician: that is, he should realize that he can not control, but can only aid nature. Therefore, in presenting to you this plan, I am only, as I conceive it, stating to you a future state of affairs that will surely come to pass, irrespective of the publication of this book, it simply being my object to call your attention to the true conditions through which the social body is about to pass, in order that we may aid and make less painful that passage. Can you not see the signs of the times? Is it not evident that in the case of industries of a semi-public character the social body has ceased to reap benefit from having those industries controlled by private capital? That benefit in the past we must admit was so great as to be almost incalculable, but do you not realize that the great law of progress, like all natural laws, is an inflexible and not a sentimental one? Today private control of public utilities has become a menace. Both expediency and the permanent good of society demand a change. Can you not see that that change will surely come and that it is well for us to expect and prepare for it so that the shock of making it will be

less to the social structure and so that there will be no unnecessary straining of private rights in the interests of the public good? Do you draw no inference from the growing sentiment in favor of municipal ownership of street cars, water works and electric light and power plants in the various cities of this country today? Is it not apparent to you that a man who is not in favor of public ownership, *in order to be consistent*, should advocate the sale to private individuals of the United States postoffice system, and should advocate a similar sale of all utilities under municipal control in the particular city where he lives? I say to you that the day is coming when the national government is going to need a great many of these industries to use as a basis of its monetary system *and the various cities should start in and build up public ownership in every part of the country, so as to have them ready to turn over some day to the national government under an amendment to the Constitution of the United States.* By so doing, you will insure the success of the plan and will lessen the social disturbance incident to the change. As for the great unlawful trusts that now exist in this country, they have already assembled certain public utilities into handsome, large, well-working packages significantly convenient for being handed over to and run by a government. Ponder well my prophecy.

CHAPTER II.

A BRIEF DISCUSSION OF VARIOUS PREVALENT REFORM IDEAS.

Did you ever listen to laborers talking over their pipes? They can not come to an agreement. They agree on very little except that a rich man is a bad thing. They do not reflect that a rich man is only doing what a poor man is doing, that is, putting as big a space as possible between himself and misery. My friend, what this country needs is not less rich, but less poor men. Some rich men get their wealth very honestly, and some of them get it in a manner far from honest, although it may be well enough to say right here that stealing is not confined to rich men. There are many poor men who are quite expert at stealing. Did it ever occur to you that we make a bigger bugaboo out of a rich man than he really is? These men of wealth have more influence in the world than you and I have, and it is true that they are using their influence for their own good, but they are not so wise and powerful as they are given credit for. If they are, why is it that men are out of work? Instead of making a profit on the labor of simply a part of the people, why do not these men who control the industries of the world give work to every man, woman and child that is willing to work, and make a profit on the labor of all of them? Why don't they run day and night shifts, if they can get people to work, and make a profit on every hour of labor that men are willing to perform? Labor, when

employed with that end in view, will always produce wealth, but under our present system, if these capitalists were to employ labor to the extent that I have above suggested, there would be such an over-production of wealth that these men would not know how to make a profitable use of it, and the fact that they do not possess that knowledge, but on the contrary are even now forming trusts with the purpose of limiting and restricting the production of material wealth in certain lines of industry, shows that these men of capital, who have the reputation of controlling the situation, in reality, do not understand it themselves, but that the whole thing is drifting and carrying with it both the rich and the poor.

Another thing that the laborers agree on over their pipes is that most of the trouble is caused by the very thing I have just mentioned, to-wit: over-production. They seem to accept it as a philosophical conclusion that the market must become glutted with goods, and then that the factory must shut down and the laborer quit work. They also are smart enough to see that combinations of men are at work who get control of a certain product and then deliberately shut down the factories which produce that product (even before the market is glutted), for the purpose of securing an artificial price for such of the product as is in existence in their hands. They seem to think that if they can only stop these combinations or trusts from operating, that that is the best they can do, and that they will have to submit to it when the factories shut down from what they consider a good reason—that is, from over-production. They say that can't be helped. They say it is "only

natural." Now, in my limited study of natural history, I have found no animal, excepting man, that experiences hard times on account of over-production. Certain it is that I have never found any animals which allowed certain members of their species to nearly starve on account of over-production, and I refuse to believe that the shutting down of factories on account of over-production is the result of natural laws. I think the laws of man are responsible for the situation.

These men also agree that machinery is a bad thing, and they suggest remedies. They say: "Let us have a law reducing the hours of labor." They appear to think, just as rapidly as machinery is perfected and improved so that men can do more work with it, that just that fast the legislatures of the country ought to reduce the hours of labor. Their object is to have it so that all men will have employment, and there is no doubt in the world but that if we reduce the hours of labor to a great enough extent, all men will get employment a certain number of hours each day. But, my friends, this is wasteful of the gifts of God; this is the wrong road to progress. It is like building a line of railroad by tearing up the track at one end and putting it down at the other. It is a sorrowful thing to think that men want to waste the possibilities of machinery in this manner. The eight-hour workday does not constitute such a waste, because eight hours are as many as any man ought to work in a day in justice to his own health, but the remedy of shortening the hours of labor would not stop at eight hours, for as the producing power of labor was increased, the process

of shortening the hours of labor would go right on. Would it not be better if all men, while in their prime, could work a reasonable number of hours, and reap the benefit of their hours of labor by having more for themselves, and more for their families, and preparing themselves for the future by getting a home of their own and like comforts? "Oh! but," you say, "it is useless to talk like that. Over-production can't be gotten around."

My friends, one of the principal objects of this book is to show you that over-production can be gotten around and so manipulated as to become a great blessing to humanity.

Then these men have had another idea: They have formed labor unions. It is well that they have done so. It shows that men are thinking, and not only thinking, but that they are trying to do something. However, looking at the efforts of labor unions, we can not help but observe that, while they have in their ranks some very bright intellects, still the intellectual portion of their forces comes into play only in organization, and in compromises and arbitrations, and when these fail, and a strike is declared, and a battle is actually on with capital, then the resources of the strikers are found to consist only of determination and stubborn endurance, and it is readily seen that the contest is an unequal one and that capital has the longer sword. The striker may starve. The capitalist will not. Nothing exists without a reason or cause, and the fact that labor unions exist is an indication that the general laws of the country were not sufficient to protect the laborers, but that they found it necessary to organize in

order to protect themselves. While I am not a calamity howler, neither am I a prosperity howler, and I must say that if the laborers had been generally prosperous there would have been no necessity for forming labor unions. The successful government of the future will see that it has so much of the nature of a labor union in its own makeup that men will not be compelled to form labor unions on their own accord.

Now, take a group of professional men and men of wealth: When they sit down and discuss these same matters, you will find that they come no nearer to an agreement than their humbler brothers do. They speak of the restoration of credit and of the scarcity of good investments for capital, and they criticize the foreign relations of our country, and draw wise conclusions from the fact that the trade balance is for or against us with another country. Some of them are well satisfied and some of them agree that things do not go to suit them, but what remedy do they suggest *on which they agree?*

There has grown up a class of thinkers who claim to have discovered that the trouble has not been caused by over-production of commodities, but that all business stagnation and poverty results from the fact that there has been an under-production of that in which commodities are measured, to-wit: money, and that all we have to do is to have more money, and presto! commodities will change hands. This set of thinkers is divided into two classes, principal of which is the class advocating free coinage of silver. The free silver people make a vigorous claim of being as much in favor of sound money as their

opponents (the advocates of the gold standard), one of the principal differences of opinion between them being that one insists that the silver dollar under free coinage would be of equal value with a gold dollar and the other insists that its value would be less. The second class of those thinkers who are of the opinion that the trouble is caused by under-production of money is that class of people known as fiat money advocates. They are a set of people who advocate the foolish idea that if a government would stamp upon a piece of paper a declaration to the effect that said piece of paper is a dollar, and then declare said dollar to be legal tender, that there-upon said so-called dollar would become as valuable as a gold dollar. It is plainly to be seen that these people would be able to produce their dollar in quantities sufficient to cure the alleged under-production of money, but it is equally plain as to what would be the future of a money which had neither intrinsic nor representative value, and the attempted injection into which of a legal value (by giving it an equal debt-paying ability with good money) would in the end turn out to be an operation as dishonest and as ruinous as the watering of the stock in any company that ever "busted" and carried its victims into bankruptcy.

Then there is another set of thinkers. They are going to make a great big family affair out of the whole thing and live in the community style. They are going to have a learned doctor examine the bumps on a man's head as he grows up and decide whether he shall be allowed to waste his time trying to convince society that he is a poet or his energies

be more properly used for the benefit of society by putting him at work shoveling manure in a livery stable, for which he may be better fitted, according to his bumps. They are going to take away everything a rich man has. They are going to disregard the fact of any man being less lazy, or having more ability or being more deserving than another man. They are going to try to have society progress as a whole without the individual citizen having any incentive to progress; in other words, they are going to set a high-water mark for individual endeavor, so that no man can get up higher than that mark. They are going to have a board of managers, and a great many of those I have talked with were going to be members of that board. However, this class of thinkers is far from malicious in its intentions and its efforts are prompted by a sincere solicitude for the good of society, while some of the premises on which it bases its teachings are absolutely true and unanswerable. The world is not ripe for the remedy these men suggest, nor is the remedy which they propose free from features seriously objectionable. It is absolutely necessary to progress that the government should fix, not a level of prosperity higher than which no man can rise, *but a level lower than which no man can fall and be trampled under foot*, and from that level let an independent and liberty loving people work out the problem of individual prosperity and happiness. Socialism, in the form in which it is usually advocated, suggests too sudden a change. It ignores facts. It is a fact that *classes do exist*. They can not be abolished at one blow, unless that blow is one terrible in its force and in its consequences. The

better way is to start in and lift up all classes, and let the process of lifting be continuous, gradual and sure, and let it be done without the pulling down of classes, and without that social disorder which has always accompanied the latter method of reform. The duties which the remedy suggested by Socialism impose upon the citizen, would not at this time be regarded by the majority of men as compatible with the sense of personal liberty which they value so highly. Man has reached a point in the process of evolution where (in the family relation) he will render services, for instance, to his own father, and will regard such services simply as duty, and will not dream of complaining that such duty is interfering with his personal liberties, even although he has to change his own plans in order to perform that duty, but he has not yet reached a point where the duties demanded by Socialism can be placed upon him by his government without eliciting his complaint. Mr. Benjamin Kidd in his work on Social Evolution seems to be of this opinion also.

Then we have the anarchist. He sometimes claims to be a Socialist, but he it said to the honor of Socialism, it denies this claim. I may be excusable if I fail to understand the prejudice which this unreasonable creature has against law and government, but, if he can be said to have any ideas at all, I suppose he operates on the theory that it is the duty of those who rule to please him, and while he is neither competent to suggest a plan of ruling well, nor industrious enough to work in a legitimate way to put such a plan into force even if he knew what he wanted, still he goes on the theory that by terror

he will stimulate those who do rule into devising some plan of government more suitable to his anarchistic tastes. His efforts will always recoil on his own head.

Then we have the Single Taxers and followers of Henry George who tell us of the great good that will result from removing taxation from every form of property produced by labor and taxing land alone. This class of thinkers has long hovered on the outskirts of a great truth, and not far beyond the limits of their teachings has lain the secret of reducing the subject of political economy to an exact science.

Amongst the people composing all these parties, as well as amongst those belonging to the more conservative parties of the day, there is growing in favor the idea that we should have public ownership of all our railroads and similar industries, and to the careful student of social evolution this concurrence of opinion by so many different classes of reformers is significant, not only as a hopeful sign of early action, but as indicating the probable direction the reform movement is about to take.

But the fact that I have been seeking to draw your attention to is that (with the single exception of public ownership just mentioned) people do not know what they want and can not agree on what is best for themselves. If two men can not agree over their pipes, how difficult a task it will be for all the voters of the United States to agree! Is it any wonder that sometimes men falter in their faith and doubtfully ask whether popular government is a success? How shall we unite the voters of this country on a plan of improvement? It is evident that they

must have submitted to them by someone a plan of improvement so superior to any that they have ever read or heard of that their minds will instantly be struck with its feasibility and good points—a plan explained in such simple and plain language that it will appeal alike to the philosopher and the fool—a plan that men will see through and understand, and that will be so desirable as to stop the mouth of argument—a plan, the details of which will be so clear and convincing and the promised results of which will be so beneficial to rich and poor alike that all classes will instantly unite on it—a plan so practical and so easily put into operation by men that no political party can safely oppose it. Then, and then only, will men cease their idle talk. Then will they say to their representatives and lawmakers: “The road lies before you, the way is straight and the door is open. Why do you not give us this improvement in government?” and then will the votes of men be efficacious accordingly as they elect or do not elect men who will put the plan which they demand into operation. *We must all unite on one single plan!* We must not be divided. The interests of ninety-nine per cent. of us are identical, and there is no reason why we should be divided.

I appreciate the fact that he who attempts to lay before the people a plan which will meet these requirements must be a man whose patriotism is pure and whose singleness of purpose is undoubted, and a man whose love of country and his fellowmen is equalled only by his love of truth and of justice, but I say to you that in the pages of this book such a plan is disclosed and that in myself such a man

exists; and all I ask is that that plan be put into operation, and that I be permitted to live an humble private citizen under that improved form of government.

I say to you that there is no reason why both the rich and the poor, the employers and the employed, should not be more prosperous in this country; there is no reason why there should not be the highest co-operation between capital and labor; there is no reason why a man who is willing to work should ever experience poverty during the whole of his life from the cradle to the grave; there is no reason why in his childhood days he should not have proper food and clothing; there is no reason why he should not go to school properly clothed with comfortable shoes upon his feet; there is no reason why he should not remain in school until he has received a good education; there is no reason why in the days of his prime he should not have labor for every hour that he wants it; there is no reason why he should not receive good pay for his labor; there is no reason why his labor should not be sought by capital as a valuable thing, instead of begging for employment; there is no reason why, when ill, he should not have proper medical treatment; there is no reason why, when married, he should not have a home of his own; there is no reason why his life should not be pleasant, and refinement, art and culture find a place in his home; there is no reason why he should not be able to afford an occasional vacation from work, and he and his family take pleasure trips; there is no reason why he should look forward to old age with despair or see his children grow up with doubt; there is no

reason why any man should have an incentive to become a criminal, or any woman to become a prostitute; there is no reason why men should not live together in harmony and prosperity, casting from themselves those things which in the past have combined to produce disease and crime and discord, there is no reason why mankind should not have the full benefit of machinery and the wheels of industry turn faster and faster to the advantage alike of capital and labor; there is no reason why, as the years roll around, under proper government, our land should not be filled with store houses, bursting their walls with plenty, nor why the laborers who produced that plenty should be thrown out of work because of its existence. It has long been accepted by people as a philosophical truth that some of us must be poor. This was true in the days when the productive power of labor was in its infancy, but I say to you in these days when labor, by the aid of machinery and scientific process, can produce much more than the requirements of the people demand, that while it is necessary for the great majority of us to work and labor, yet there need be not one single man who is so poor as to cause him to suffer. I say to the people of the United States that if they will follow the advice given them in this book, they can have the blessings, and I say to them further that there is no need for a bloody revolution to accomplish this result, and no need to take from any man that which he now holds title to without making just payment therefor, but that the government need take no steps other than those which are honest, just and proper. I say to you that the people of any country are

strong and powerful and productive enough (if they have a proper system under which to work) to grow rich of their own efforts, from the time that system is put into operation, without demanding that any rich man give up something for nothing. Our rich men are citizens and as such they are entitled to protection under the law. We should respect their rights the same as we do those of a poor man, and we should do nothing except by a vote of the people, counting the votes of the rich as well as those of the poor. It is my purpose to tell you how to accomplish these results, not by a far-fetched plan requiring the pulling down of our present government and an entire change in the relationship of our citizens, but by a plan which, though radical of necessity in some of its features, will be found upon examination to be perfectly practicable and one that can be put into operation smoothly and without disturbing the general run of business and without making any changes other than those which are absolutely necessary and indisputably beneficial. Having presented to you such a plan, I shall have performed my duty, and it will remain for my fellow citizens to do the rest with their votes. If they are wise they will not sit down and dream over this book with the idea that possibly their grandchildren may operate under some such condition, but they will take action immediately and get the benefit of this plan now.

CHAPTER III.

CALLING ATTENTION TO THE PRINCIPAL DEFECT OF OUR PRESENT COMMERCIAL SYSTEM.

Before calling your attention to a cure for present disorders, I think best to state to you what is the real cause underlying those disorders. The real trouble is not *over*-production of commodities, nor is it *under*-production of money. It is simply a lack of proper system. The commercial system under which we work absolutely produces, of its own action, glut in market and stagnation in trade. Let me ask you something: When you want to make a profit, what do you want to make it in? You want your profit in money. Your neighbors are the same way. The wide world over every man wants his profit in money. It is not the man with money who is your enemy, but it is money itself which is the enemy not only of the laborer, but of his employer, for it keeps both from being better off. Now, don't understand me as wanting to abolish money. I don't want to do anything of the kind. Don't jump at conclusions. Before I get through you will see that I want you to have money—not ridiculous fiat money and not ridiculous gold or silver money, but money a dollar of which will be easier to get and will purchase more than any gold or silver dollar of today is capable of purchasing. And don't think that I am a man with one idea which is going to act as a cure for all the ills of society. The fact is that I shall herein suggest to you laws on three different subjects before I have

done, and you people should sit quietly and give me your attention. You have been puzzling your heads long enough and looking wise and arguing around in a circle; and it is time that you sat still and let someone draw the ends out of the tangled mess you have gotten into.

Now, let us see what over-production really is: We have a careless way of dividing society for the purpose of these discussions into two great classes, i. e., capitalists and laborers; but for the purpose of a really intelligent understanding of the subject, we must subdivide capitalists into two classes: first, that class which simply lends its money and draws interest; and, second, that class which invests its money in various industries and which sometimes pays interest to the first class. Having divided capitalists into these two classes, we find that the second class again subdivides itself into, first, a class composed of comparatively few persons who are in control of public utilities of great value and whose grasp on the general situation is becoming so powerful that when they enter into the ordinary lines of trade, they are enabled by unlawful combinations to create extraordinary and abnormal conditions favorable to themselves and absolutely harmful to the rest of society; and, second, a class composed of that great body of our citizens who are engaged in operating legitimate industries, both great and small, and whose energies and resources are already being taxed to the limit by the manipulations of the combines or trusts which I have mentioned. This last class embraces by far the greatest number of individuals engaged in employing labor, and is a class that would

be of great value to humanity under proper conditions, and it is this last class which I propose to use in illustrating to you how that thing which we now regard as over-production is brought about. In other words, I will show you that even if society were rid of those persons who live off the community by drawing interest on their money and those powerful trusts and combines which have been referred to, nevertheless, the system under which we operate, of its own action, would still produce glut in market and stagnation in trade, and every era of prosperity would be followed by its reactionary era of business depression, sometimes affecting the whole business world and sometimes only certain industries. Let me present to you, briefly, a working model of a community composed of laborers, merchants, farmers, manufacturers, etc., all of them legitimate business men, some of them employed and some of them employers. Examples could be cited which would contain a greater number of elements, but as those additional elements would only make the proposition more difficult to understand while the solution would be the same, consideration of simplicity have led me to select the following: We will say that our community has twenty men who employ laborers. One runs a coal mine; another a shoe factory; and so on, all being engaged in some useful line of industry. Each employer has 100 laborers in his employ. Now, in this same little community we will say that there are twenty merchants or storekeepers dealing in various kinds of merchandise. It therefore follows that we have a community consisting of twenty manufacturers, etc., twenty storekeepers and 2,000 laborers.

Now, we will start our community with the money in the hands of the manufacturers or in the hands of the laborers, just as you wish, but before we get through with our example you will see that the money will get into the hands of the manufacturers, and that the community will suffer from over-production. During one month the manufacturers pay out to their 2,000 laborers, we will say, \$50.00 each as wages, or a total of \$100,000.00. In addition they pay for coal and for raw material and for other expenses, we will say, \$50,000.00 amongst them all. Now, what do these men get for the \$150,000.00 they pay out? They get the result of labor in the shape of goods. Now, do they sell those goods for \$150,000.00? No, Sir! They want a profit of 10 per cent., which on \$150,000.00 amounts to \$15,000.00. In other words, they want to sell the goods produced that month for \$165,000.00. Now, who buys the goods from the manufacturers? Well, in our example above we have estimated that some of them are engaged in a business in which they sell coal or material or goods of some kind to their brother manufacturers, and we have placed the amount thus disposed of at \$50,000.00. This leaves \$115,000.00 worth of goods to be disposed of. These are sold to the storekeepers. Now, what are the storekeepers going to do with these goods? They are going to sell them to the laborers. Will they sell them to the laborers for the same amount that they paid for them, to-wit: \$115,000.00? No! They want a profit of 10 per cent., which on \$115,000.00 amounts to \$11,500.00. In other words, the storekeepers want to sell the goods for \$126,500.00. Now, who will buy those goods? The

laborers will. Will they buy them? Most assuredly they will. They need them. They have children. They are the most numerous class in the community. There are 2,000 laborers while there are only twenty manufacturers and twenty storekeepers. What will the laborers buy the goods with? With the money they received as wages. How much wages did they receive for that month? In the aggregate they received \$100,000.00. Can they buy \$126,500.00 worth of goods with \$100,000.00? No. Who will buy the other \$26,500.00 worth? "Well," you say, "I guess the twenty manufacturers and the twenty storekeepers will buy that much." If they would, and do it promptly, then everything would be all right, but they will not, my friend. From the beginning of mercantile history it has been demonstrated that they will not. They will buy what they actually require in their business and (properly) charge it up to the price they are going to ask for their goods, but they are very reluctant to spend or reinvest their profits. Almost every one strives to accumulate a large cash surplus. Therefore a certain portion of the goods produced in our example given above will not be sold, and this will be the case each month, and as the months roll around there will be gradually accumulated in warehouses and on shelves a large quantity of goods which the market reports and trade journals will call over-production, because the great consuming class, consisting of the common people of the community, can not purchase them. It becomes evident that if this system worked itself out to the end, and the money were to all lodge in the hands of the employers and not any of it remain in the hands of

the laborers, things would tighten up so as to almost come to a standstill, for the only consumers would be the holders of capital; but things never reach this stage, for as the tightening up process goes on, it comes in contact with other natural laws which prevent the tendency of the process from reaching a consummation. In other words, it is a fact that capitalists in any event require the services of certain kinds of laborers, and in that manner put money into circulation, and it is another fact that, no matter how much the employing class desires to hoard money, a great many employers find that they have themselves fallen victims to the condition which hoarding money has produced, and they do such a small business and make so little profit, that in order to live and maintain their position in society they pay out more than they take in, and the goods which they hold in the shape of over-production at such times are often sold by them at such a low price that they lose instead of making a profit, and the consuming class deals with them at such times as much as possible, and the laborer may even procure goods in this manner at a less price than it cost to produce them. It is also a fact that goods go out of fashion, and that stocks grow old and that fires occur, and other things of that kind occur which cause the capitalist to reinvest, and thus loosen up the situation, and prevent the grand centralization of capital, which is the consummation that would be reached, if the tendencies of the system under which we work were allowed to carry themselves to their natural conclusion. Now, my friends, this thing called over-production would not hurt anything if its owner regarded it as that

much wealth and went ahead and promptly reinvested his money and re-employed the laborers and had still more manufactured. Over-production would not hurt if a merchant would look up at his loaded shelves and say: "This is valuable stuff. This is wealth," and instead of putting his money in the bank, would use his surplus profits to buy more stock, feeling that the manufacturer would invest the money in labor and that it would go into circulation again immediately amongst the great consuming class, and that the laborers would come around and pay him (for such portion of his stock as their money would buy) prices which would enable him to buy a larger and more valuable stock. If the manufacturer and the merchant, as a class, would do as the Bible tells them, and "cast their bread upon the waters," by promptly reinvesting their surplus profits in the wealth which is produced by labor, the laborers would surely carry out the Biblical prophecy and return the money to them for only a portion of the goods which they had produced by their labor, and the manufacturers and merchants would acquire more over-production and more over-production until finally the great quantity of goods that they would store away in the shape of this so-called over-production would be more valuable than all the gold and silver that men can ever hope to mine, and the manufacturer and the merchant would still be capable of acquiring as large a cash surplus as he now has. He would turn it over quicker than he does now, however. *Each man would not have to invest in the over-production of his own line of industry, but he could invest his money in such form of material wealth as*

he thought advisable, and other people would have the same incentive to invest in his line. It would not matter what he invested it in, just so he invested it. That's the main point. I am aware that gold and silver money is itself a form of material wealth; but inasmuch as in its capacity as money it possesses many characteristics not possessed by other forms of material wealth, I have felt justified throughout this work in treating money as forming a class of its own, distinct and separate from ordinary material wealth. Now, I suppose, my impatient reader has about come to the conclusion that what I desire is a law preventing a man from making a profit of 10 per cent. on goods that he handles. Not at all, my friend, not at all. "The laborer is worthy of his hire," but he is not the only one. Manufacturers, storekeepers and middlemen all deserve to make a profit, and all I want to do is to give them more profit, not less profit, and I want them to have three times as many sales as they now have. I want trade to go along in its usual channels, and I want sales to be made for profit, and I want the medium of exchange to be money, and I want the money to be good money; in fact, better money and of higher purchasing power than any money we have today; but I do not want to work under a commercial system, the constant tendency of which is to tighten things up, and which requires failures and fires and business mistakes to loosen it up, and which moves slowly and unwillingly, and with a wear and tear and an effort and a grind, and under which it is plain that humanity lives at its lowest ebb. Nor do I want people to become foolish spendthrifts or to become waste-

ful, and in that connection I want you to remember *that that system is most wasteful under which mankind as a whole produces the least in material wealth, and that system is most economical under which mankind as a whole produces the most in material wealth.*

The secret of the whole trouble is that money, as now constituted, performs a double function: It is, first, a medium of exchange, and, second, *a convenient form in which to hoard wealth.* In its first characteristics it is capable of the utmost usefulness to mankind, and in its second characteristic it is directly responsible for more of the ills from which humanity suffers today than any other agency. In its first capacity it is to the world of trade as the easy-going wheels are to a wagon, and in its second capacity it is as if a malignant fate had attached an invisible chain to those wheels and laughed at the efforts of men as they forced the wagon along by sheer strength and grit. In these days science separates into their component elements the very water we drink and the air we breathe, and it is just as possible for scientific legislation to remove from money its objectionable features and retain its desirable characteristics. But in order to do this, we will have to send men to our legislative bodies who *wish* to do it. They will have to lose some of the oppressive and ponderous statesmanship which is so fashionable today and gain more of the simple spirit of our forefathers.

All I advocate is a system under which all men will reinvest their money and not let it lie idle, or, worse still, draw interest on it. If all men insist on having their profit and their savings in the shape of

money, then the savings of the entire world are in a great degree limited to the amount of gold and silver money there is in the world and to those forms of material wealth which aid their owner in earning money. Thus capitalists will build houses for people to live in, because they receive rent for them. They build lines of railroad and valuable machinery because they make money out of them, but under our present system (as is the case when over-production causes stagnation in certain lines of business), the moment the holders of money cease to demand a certain product or article for purposes of present consumption that product or article instantly becomes a drug on the market, and is regarded by all capitalists as a very undesirable form of wealth in which to invest, and hence it is that factories close down when this condition arises. "But," you ask, "why should not the production be stopped when the demand has ceased?" My friend, I did not say that the demand had ceased. I spoke of "*the holders of money*" ceasing to demand a certain article. You see a good deal depends upon who are *the holders of money* at a given time. If the money is in the hands of the people generally in sufficient quantities, there will be a demand for much sugar and coffee and shoes and cotton and woollen goods, and such things, but if a certain portion of the people are out of work and receive no wages, and those who do work receive small wages, as the result of competition with those who are out of work, then their capacity to demand the kind of articles above mentioned will diminish, and the capitalists, who are the principal holders of money at such times, will diminish their demand for

laborers, and what is known as a condition of general business depression will ensue, from which the business world usually recovers slowly after a series of failures, fires and famines. The entire material wealth of the world under our present commercial system will always be limited and kept down by that thing known as over-production until we devise a monetary system under which it will be more profitable for men to promptly reinvest their money in the products of labor than it is for them to hoard any considerable quantity of it. We must arrange it so there will be a demand for the products of labor *to be hoarded as wealth*, even when there are sufficient of those products in existence to satisfy the current demand of consumers.

Perhaps instead of drawing your attention to the fact that the amount of wealth in the world is in a great measure limited by the amount of money in existence under our present commercial system, I would do better if I drew your attention to the great amount of material wealth, the production of which is prevented by the action of money. It operates in this way: Under our present system, with the aid of machinery and improved methods, the persons engaged in almost every line of industry are able to produce more than enough to supply the current needs of the whole population for purposes of present consumption. The people engaged in all the different lines of industry would like to have steady employment. I say to them that as reasonable persons they can not expect to have steady employment unless they consent to demand goods and thus keep the people in other lines of industry employed stead-

ily and open up new lines of industry, but under our present system the people of no line of industry will consent to this. A man gets his money out of his line of production, and then instead of investing all of his money in some form of wealth other than money (in other words, in the output of some line of production), he usually prefers to keep it in the shape of money. In other words, instead of investing the money and keeping other people employed, he says to himself: "No, I want other people to invest their money in the material wealth produced by me and thus keep me steadily employed, but I will only reinvest such portion of my money as I am forced to through necessity, and thus I will not keep other people employed, and then I will put my money away so I can let those people starve now and put them to work again just when when I need them some time in the future." Of course, this would be very nice if it worked out, *but it does not work out.* The people in other lines of industry go on the same basis, and they all help to starve one another. This book is not written from the standpoint of a moralist, and I have no objection to offer (here) to the man who worships Mammon, but I want to call his attention to the fact that he who worships gold or silver money is in reality worshipping not the real Mammon, but a god that is even much falsier, for the use of those metals as money in the world of commerce has prevented the production of billions of dollars' worth of material wealth. It is not a question of whether a man would rather have a hundred dollars in cash than in property, but the real question is whether that hundred dollars shall be allowed to cir-

calculate and stimulate production to the end that all men may in time amass quantities of material wealth many times more valuable than the average man could hope to obtain in the shape of money. We can not eat money. We can not wear money. The most useful purpose for which we can use money is as a medium of exchange to the end that mankind may produce material wealth in great quantities and exchange it amongst themselves all over the world. You must remember that there is hardly a line of industry that would support the people engaged in it unless those people entered into exchanges with the people engaged in other lines of industry. Thus, a coal miner is one of the most useful members of society, but, if left to himself and his coal, would perish in a few days for lack of food and clothing, which he does not produce. He would soon cease to produce coal if the rest of society did not patronize his line of industry, and it is upon this same principle that the different lines of industry grow dull and shut down. The people engaged in any line must exchange their products for the products of other lines. *Our present kind of money is preventing this.* People as a whole are trying something that is impossible; thus almost every member of society is trying to get society to take from him all he produces and give him in return money, and instead of using this money by investing it in the material wealth produced by the rest of society, he says to the rest of society: "I will use of your material wealth just what I am forced to through necessity. Stop producing your material wealth. When I need a little more I will spend a little more of this money and you

can produce a little more." The great majority of people work on this basis and the production of material wealth is kept down, and, as elsewhere said in this book, society lives at its lowest ebb. What would you think if a family had a valuable farm and would only produce enough off of it to meet their current wants? You would say: "How wasteful and foolish." My friends, the world is a great big valuable farm. *The members of the human family upon it are operating under a system which tends to limit their production to just enough to meet their current wants.* I say to you: "How wasteful and foolish!"

Under the present system you can not blame men for holding to their money. They have to hold to it for self-protection. The only time you can expect a man to invest his money is when he sees a chance of making a profit. Some men do spend their money freely to the detriment of themselves and their own families, but to the great benefit of the rest of the world, and if all men were liberal spenders within their means, the world would be better, but if any man or set of men were to operate on this principle and spend their money freely for the products of labor they would be foolish, because most of the people would not co-operate with them. People, as a general rule, will spend money for just what they need to live on, and just what they need to wear, and for household furniture, and if a man becomes wealthy, of course, he will indulge in extravagance to a certain extent, but it never occurs to any man to put his money into the products of labor as a safe way of hoarding wealth. He will put his money into those products as an investment if he

can see a sure profit, but not otherwise. Under our present system, if all men were good business men, and practiced economy and made no mistakes, they would all have very hard times, and would grind each other right down into the earth. To a very large extent, it is the drunkard, the spendthrift, the fool, the inexperienced man—in other words, the man who takes the worst of it—that enables the rest of mankind to live and loosens up the situation so that the wheels of trade may turn. That genial author and scholar, Mr. Henry Fielding, whose writings show him to have been a man of most liberal thought and wide experience, had recognized this fact as early as the year 1749, and in his “History of Tom Jones, a Foundling,” which first appeared in February of that year, referring to the spendthrift, he criticizes humanity for the little respect commonly paid to a character “which really does great honor to human nature, and is productive of the highest good to society.”

Now, as I stated before, I do not want the whole world to become spendthrifts, but the sooner people discover that there are other forms of wealth besides money, that much sooner will people be relieved from the heavy gold and silver heel that has been goading them on to a struggle in which they destroy one another—a struggle in which the poor and the weak are always miserable and the rich and the strong are far from safe. *I do not mean that they should eat or drink or smoke up everything that they have*, but if all men were forced to hoard their wealth in other things than money, then the material wealth of the world would not be limited (as it is at present), but

the production of material wealth would steadily increase, and instead of being a bad thing, would be a good thing. Money would perform its real work as a medium of exchange, and the wheels of industry would hum and buzz, and the world would grow wealthier every day. But how shall we get all men to immediately reinvest their surplus profits in material wealth? It is evident that in their individual capacity they will not thus "cast their bread upon the waters" and place their reliance on things going well. It remains for the strong arm of the government to present to mankind a system under which it will be more profitable for a man to invest his money than to hoard it. I believe that all men would spend or invest their money, and, with their families, live comfortably, if they were assured that they could get more money any time they were willing to work, or wished to sell something in which they had invested, and if they did not have such doubts about their existence a year or so hence. Over-production has not yet reached a stage where it can be said to be caused by the fact that the consumers in this country do not need the things that are produced. While it is possible for the aid of mankind, with the aid of machinery, to produce more than mankind could possibly use, yet this is not now being done in many instances. It may be that at times more has been produced than could be *sold*, but that has been because the people could not buy all they wanted, and even those that were able to buy what they wanted did not feel at liberty to spend their money freely in doing so. There is a large class of people who do not buy or invest in anything unless it is absolutely

necessary. Can you not see that the wheels of commerce are turning spasmodically and with an effort? *Can you not see that just in proportion as men have surrendered to the power of the almighty dollar, and have made all their efforts subserve to its acquirement, just to that extent has the almighty dollar enslaved and bound them with its golden chains?*

CHAPTER IV.

SHOWING THE INEFFICIENCY OF VARIOUS REFORM
MOVEMENTS AS REMEDIES FOR THE DEFECT
POINTED OUT IN THE PRECEDING CHAPTER, AND
SUGGESTING A PROPER REMEDY, CONSIST-
ING OF THREE CO-OPERATIVE LAWS,
RELATING TO MONEY, MACHINERY
AND PENSIONS.

Now, if we were to issue money (either gold or silver) much faster than we at present do and in larger quantities, would that correct the trouble growing out of so-called over-production, and (what is of more importance) would the remedy be a permanent one? Mr. J. Laurence Laughlin, of scholastic fame, and a prolific writer on these subjects, in his "Elements of Political Economy," published in 1887, correctly states as follows: "* * * value is a ratio. The value of money is a relation of money to *all* things which are exchanged for it. A change in any one of the thousands of articles for which money is offered every day modifies the relation between money and other things." This is true of any money based on a commodity, and from this we see that our present money partakes of the nature of a commodity, and that the relation between it and other things would also be modified by a change in its own quantity. Therefore if we have a great deal of money, money will be cheap, and a dollar will not have as large a purchasing power as formerly. Out of this fact the free silver people drew some of their most hopeful conclusions. They claimed that if

money would go down in value, like any commodity, it would no longer be desirable for men to hoard money, but that money going down in value only meant that commodities (other than money) were going up in value, and therefore, it would be profitable for men with money to invest their money in all sorts of such commodities, and the consequence would be a great boom in trade and a ready market for the products of labor and of the soil, and, that therefore, the laboring men and the farmers would prosper, and through them the whole country would prosper. Now, suppose we admit that, at the time this change in the purchasing value of money were to take place, there would be improved conditions *in certain lines of trade*. Does anyone really think that after the world had adjusted itself to the new value of money that the good times in those certain lines of trade would continue? Don't you know that, even if money were not worth as much in purchasing power as it once had been, it would still be the thing in which every man would want to take his profit, and that in a very short time the old conditions would prevail? But some of my readers who are students of political economy will have pricked up their ears at about this point, and they will ask: "Didn't you tell us a while ago that you were going to produce great invigoration in trade by means of a dollar that would purchase *more* than any gold or silver dollar of today, and now have you not just admitted that perhaps a dollar which would purchase *less* would also invigorate certain lines of trade for a short time? Are you not blowing hot and cold in the same breath?" My friends, if you will be pa-

tient, I will explain. You see, the dollar I propose to tell you about is in most respects a different kind of a dollar from any you ever heard of before*

Now, let us suppose that the fiat money people had their way about the thing: In the first place, even if their money were good money, it would be subject to the same objection as a remedy for present evils as free silver; and on the other hand it requires little argument to convince one of sound and logical mind that fiat money is morally and theoretically wrong. It is true that there are a great number of debts owing in this country, and that if the United States government made such fiat money legal tender, the same as gold for the payment of this great amount of debts, then a certain quantity of fiat money could be floated, but even the floating of a limited amount of that fiat money would be the same operation that some of our dishonest financiers indulge in when they "water the stock" of a corporation. People are becoming practical and business-like, and fiat money is not the remedy they want.

Now, let us suppose that our friend who has ideas about reducing the hours of labor has his way about the thing: Is that going to cure the difficulty which arises out of men taking their profits in money and hoarding them? Not at all. While the reduction of hours of labor would do some good by giving

*PUBLISHERS' NOTE.—At first blush, some readers may confound the money suggested by the author in this work with the money based on service which has been mentioned by various Socialistic writers, but a very slight examination will convince them that the taxable money here suggested is entirely new and different, possessing every indication of being a practical success and devoid of those ear-marks of failure which have always accompanied the others.

every man a limited amount of work for which he would receive a fair amount of pay, and while the hours of labor might properly be shortened by law to such an extent as would make them compatible with the health of the laborer, yet, on the other hand, to shorten them to any further extent would be wasting the goodness of God by wasting the producing power of mankind, and it would not prevent over-production because people would still make a profit in the form of money which profit they would refuse to promptly reinvest during glut in market, as they have always refused, and because the laborers would still only receive wages enough to purchase simply a portion of the goods they had produced, and because the other portion of those goods would still be regarded by the employing class as *over-production to be gotten rid of*, instead of as *wealth of which it was desirable to quickly accumulate more and more*, by reinvesting their surplus profits promptly and having more produced.

I say to you that what we want is a system by which men can not only amass great quantities of gold and silver, but such a system as will make them also appreciate the value of all the other products of labor (for you must know that gold and silver are products of labor, being gotten out of the earth and refined by means of labor and by means of machinery produced by labor). I want men to hoard gold and silver to their heart's content, for I know it is valuable stuff, but I also want them to have store houses full of goods, granaries full of grain, lumber yards full of lumber, orchards full of trees, pastures overrun with stock, land with valuable improvements

upon it, trunks and linen closets full of clothing and libraries full of books, as well as valuable paintings, statuary, jewelry and gems. These things have value, and should not be regarded as over-production. I want to see the various factories in this country produce to their fullest extent. I want to see the people at large prosperous and able to be consumers of that production. After the production is up to what it ought to be in quantity, I want to see the quality begin to improve in every article that people wear, eat or use. I want to see good roads and buildings and works of art multiply, and new industries opened up. I want to see our children educated in the arts and sciences, and when they have received that education, I want what they produce to be regarded as having value. I want to see the houses which our working people own and rent and in which they live built on better plans, and surrounded by larger, cleaner and healthier grounds. I want to see improvement and progress. The way to accomplish this result is by the passage of several laws which I shall now present for your consideration.

One of them is a law in favor of some real money—not gold and silver money, and not fiat money—but *real* money—money which, in addition to possessing many other advantages and good points, would be a money based upon labor, which is a thing the relation of which to the population always remains the same, and any variation of the value of which money with reference to any of the thousands of articles measured in it would be caused by such natural phenomena as properly affects those

various articles, and would not be caused by any variation in the value of the money itself, which would remain a stationary standard of value, to which other things would adjust themselves in accordance with those natural laws which govern value. Did you ever reflect that, if the production of gold were to be suddenly augmented nine or ten hundred per cent. by the discovery of some new process or rich fields, the purchasing value of our present money would be so reduced as to ruin every man whose estate consisted of money? The only man who would be unaffected would be the man whose wealth consisted not of money, but of land, or of the material wealth of the world consisting of the products of labor. Well, there might be another man who would weather the storm. That would be the man who had wits enough about him to go around to the postoffice and put all of his money into postage stamps, and the government itself would have to stop the sale of postage stamps under the present postal rates to keep from losing heavily by this source, or else, later on, violate its implied contract by refusing to honor the stamps at the postal rates that prevailed on the day of sale. Those stamps would have marked upon them "2 cents," but while every other kind of 2 cents in the world would have fallen in actual purchasing value, those postage stamps would remain the same in purchasing value (if the government kept its faith) because those postage stamps would be *redeemable in labor*. In other words, the United States government, through its mail department, would stand ready to render service for those stamps.

This law in reference to money would provide that the national government should (by purchase) take charge of all public utilities, consisting of railroads, steamboats, bridges, street car lines, water works systems, telegraph and telephone systems, gas and electric systems, etc. It would also provide for an automatic tax on money, which money would be of the new kind hereinafter mentioned.

The second of these laws is a law with reference to machinery.

The third law is one with reference to pensions.

I will now explain these various proposed measures in their entirety, and when I have done so, I think you will believe in them; nor do I believe that any teacher of political economy the world over will be able to change your opinion on the subject after you have once thoroughly digested the matter, and especially after you have read the application of these proposed laws to existing conditions contained in the latter portion of this book.

These laws must be laws of the national government.* It will not do for any state or community to try to cope with the situation alone. Your vote may do some good in your own community in the way of filling your public offices with good and honest men, and in the way of having your local government properly administered, and of sending honest men to your state legislatures and municipal councils; but I say to you that the situation is too large

*The recent utterances of our distinguished President, Mr. Roosevelt, indicate that he is strongly of the belief that laws dealing with the commercial situation, in order to produce proper results, should be laws of the national government.

to be coped with by any state or small community. A community or a state may be managed all right within itself, and yet it will have many unprosperous citizens, because of the fact that influences from without which are far-reaching and beyond the control of the community or of the state are at work and have a bearing upon the affairs of its citizens, and hence it is that the strong arm of the national government must take some action.

CHAPTER V.

A DESCRIPTION AND PARTIAL DISCUSSION OF THE PROPOSED LAW RELATING TO MONEY.

The government must not only take possession (by enforced purchase) of those railroads that go from one state to another, but it must also purchase those railroads and street railways that have their lines entirely within any one state. Exercising the right of eminent domain in behalf of the public, it must purchase all water works systems, all telegraph and telephone systems, all gas and electric light, power and heating systems, all coal mines, etc., and it must pay to the men and corporations who now own them the just value thereof. This is a large purchase for the government to make, and will require the issuance of bonds. The signs of the times point unmistakably to the fact that this move must sooner or later be made by the government, and the sooner it is done, the easier will be the task.

What has gone before in this book will have suggested to your mind, as has been my intention that it should do, that what we need among other things is a different kind of money. It is evident that we need a money, the current purchasing value of which and the commercial need for which will be such that people will strive to get it just as they do our present kind of money, and yet this money will have to be of such a nature that men will not want to cling to it or hoard it. To produce this result, the money will have to decrease slightly in value every

month, and it is also apparent that this lessening in value must not be accomplished by means of any *real waste*, but that whatever the holder of the money loses in its value, instead of being wasted, should remain in existence and be applied to the benefit of society at large, and it is also apparent that, in order to be practicable, any decrease in the value of the money each month should not result in the money in the hands of the people becoming of different and irregular denominations or value, nor being one month of less general value than it was the preceding month, but all the money in circulation will have to be of definite and regular denomination and value. A solution of this problem will be found in simple and satisfactory form by an examination of the kind of money I am about to present to you.

When the government becomes the owner and manager of the different industries heretofore mentioned, it should demonetize both gold and silver. A large number of people today say that gold acquires no value from being money, but that the whole value of gold is its intrinsic value. If they are right, no gold interest will be damaged by the demonetization of gold, because gold will still be just as valuable and people can still get it, and hoard it, and enter into contracts to furnish it and to be furnished with it.

Having demonetized gold and silver, the government should issue a kind of money, a dollar of which would read as follows:

"Washington, D. C., (Date)

The (government) hereby promises to pay to the holder hereof, if applied for at the proper place according to law during the month above mentioned, one dollar's worth of service in its postoffice, telegraph, telephone,

railroad, street railway, steamship, water rates, light or heating department, or in the goods or service of any other industry which said.....(government).....may own and control at the time this dollar shall be presented for payment. Said payment shall be made at the rate fixed by the Department of Industry for the current month. This dollar is legal tender during the month for which it is issued for all taxes and impost duties and all debts, public or private, in all territory subject to the laws of the.....(government).....

"If the holder hereof does not desire to have this obligation redeemed in goods or service during the month for which it is issued, he must, at the end of such month, have it redeemed in the money of the next month, less the tax provided by law, and he is hereby cautioned that if he fails to present the same within the first three days of such next month, it will be subject to an increased penalty tax as provided by law.

".....
"Secretary of the Treasury."

Here is a paper dollar that would be as valuable as any paper dollar we have today promising to pay gold or silver, because it promises to perform labor, and a promise to perform labor is just as valuable as a promise to pay gold or silver, but, on other grounds than that, this dollar would be more valuable than any gold, silver or paper dollar we have today, for the reason that *this dollar would purchase more than a dollar now purchases*. Why should it? Because the United States of America would run all these industries, just the same as it now runs its opstoffice department. It would not try to make a large profit on its different lines of business. All it would want would be a slight margin of safety over and above running expenses, and you can, therefore, readily see that a railroad company, a gas company and a water works company run by the United States government would give more for a dollar than a railroad company, a gas company or a water works

company gives today, when it is run by some profit-making monopoly or trust. Do you catch the idea?

"Oh, but," you say, "if we can have money in that manner, why not issue a lot of it, and make millionaires of us all?"

Now, my friend, be sensible. If a savage were to take an umbrella and hold it over his head during a rainstorm, he might say an umbrella was a good thing, but if he walked along in the rain dragging the umbrella under foot, he would say that an umbrella was no good for rain. In other words, in order to get the benefit of the umbrella, he would have to use it in a proper manner. So it is with this monetary system that I propose. The government will have to make a proper use of it. What would you think of a common, ordinary little one-horse milk company that had been in the habit of doing business in one of your cities, using milk tickets in the business, if that company were to suddenly go to work and give everybody in town a thousand dollars' worth of milk tickets free of charge? Of course, the company would not be able to redeem the tickets. But no milk company is going to be foolish enough to do this, and I don't think the United States government will do it, as I assume that the affairs of the government will always be in charge of men who have intelligence to run an ordinary milk wagon.

"But," you say, "the people would hoard this money just the same as any other and it would all get out of circulation by being centralized in the hands of the capitalists, and we would have to have more and more issued all the time, and, finally, there would be a great amount outstanding, as an obliga-

tion against the government, and it would decrease in value and ultimately involve the government in financial ruin."

No, my friend, the government of the future will be too vigilant for anything of that kind. There will be a law taxing money *automatically*. I have for a number of years been trying to drum into the heads of my friends the fact that money is the belting which turns the wheels of commerce, and that no one should be allowed to roll it up and put it away and spring it on us when it can do the most damage. The government of the future will tax money, so that if any man hoards his money instead of putting it into the channels of trade, he will gradually lose his money.

"Well," you say, "that's nothing new. The different states and counties and cities tax money right now as part of a man's personal property tax, and that does not keep men from hoarding money, nor do men return a full valuation into the assessor's office."

Why, my friend, you are thinking of the old-fashioned method of taxing money in vogue now. The government of the future will be too shrewd to tax money by simply asking a man to hold up his hand and swear to how much money he has once a year. That way of taxing money will not do, because the man who does the swearing always thinks some other man ought to pay the tax. I remember a good, old-fashioned, hard-working and self-respecting neighbor of mine who at one time got me quite excited and worked up by a harangue which he delivered to me over the top of his front fence on the

subject of street car corporations not paying taxes on a large enough valuation and not carrying licenses for all their cars. As he turned to go in his house he anxiously whistled to an ugly bull pup that had wandered out of his yard, and as the dog darted through the opened and closed gate very innocently and blandly remarked to me that he didn't like the dog to run on the street, as it had no license tag and he was afraid the dog-catcher might nab it. No, the government of the future will not tax money in that way. It will collect taxes automatically on every cent of its money, because if a man holds out his money and does not pay the tax on it, the money itself will disclose this fact, and the most ignorant washer-woman or unposted Chinaman in the country will be able to see that it is not of full face value. The government will require every man (or his banker for him) to take his money on the first of every month to the postoffice, or such place as shall be provided, where there will be a force of clerks on hand to wait upon him. Now, suppose that I am one of the clerks and you are the fortunate possessor of the money that is going to be taxed. I shall say to you: "How much have you?" You will lay down your money (for instance, \$44.00) and will say: "Forty-four dollars." I shall pick it up and say: "That's correct. One per cent. of \$44.00 is 44 cents. You are entitled to the other 99 per cent., which amounts to \$43.56. How do you want it?" You will probably answer me: "Two tens, four fives and the rest in change." I shall thereupon hand you two ten-dollar bills, four five-dollar bills, three one-dollar bills and 56 cents in smaller money of paper. You

will say: "It looks like it's going to rain," and I shall say: "Yes, it does," and I shall turn your old money over to the government to be destroyed, and the government will get, by way of taxation, the other 44 cents of new money which you did not get. Now, if you will look at your \$43.56 of new money, you will see that it is different in date, color and design from the old money. The government will have different colors and designs for the different months, so that the most ignorant man in the country can perceive at a glance, when you offer him money, whether he is getting money that has been taxed or not, and if a man is behind time in getting his money down to be taxed, it will no longer be of face value or legal tender, and no one will be willing to receive it from him except the government, which will redeem it by charging him a tax of 2 per cent. a month instead of 1 per cent. So, you see, the government of the future will know how to collect its tax on money.

Now, if you are a man out of work, when we have this kind of money, you will soon get work, because a man who has an income of \$1,000.00 a month will spend, as he does now, say \$200.00 in his living expenses, and then, instead of hoarding the other \$800.00, or being able to put it out at interest, he will have to pay interest for the privilege of hoarding it, and hence, rather than do that, he will spend it, and put it in the shape of cattle, or wheat or some product of labor, on which he will not have to pay any taxes under the government of the future. Of course, when the law first goes into effect, probably the first thing that rich men will invest their surplus money in will be gold and silver, but don't

let that bother you. It will not take them long to get a corner on that, because, to tell you a secret, they now own about all of it there is in existence, and can call it out of circulation any time they desire. You can see that, of necessity, men will soon take to trying to get rich by giving laborers work and continually reinvesting their surplus profits in the products of labor, and, if they show too big a disposition to invest in land, Henry George and the Single Taxers have suggested the proper remedy. When the products of labor become the most desirable form in which men can hoard wealth, then the laborer will get work. Now, a laborer usually spends most of his money to live on, and at the end of the month he will not have a very large amount to pay taxes on. If the amount he has left is \$20.00, the tax on it will amount to 20 cents. But a man who has a large income, while he may live nearly as cheaply as a laborer does, will have to pay taxes on all the surplus money which he attempts to hoard, and he will not hoard it. He will invest it. What you want is a money that is useful in the channels of trade and *keeps moving*. Then you will find out that it was not, after all, a large quantity of money that was wanted, but simply a reasonable quantity of the right kind of money—in other words, real money—money that takes labor, which is the only thing that produces wealth, and puts that labor in the place that gold has occupied for too long a time. To what a sorrowful state have things come when we hear upon the lips of civilized men and women such an expression as “pauper labor!” I would just as soon hear a man accuse his own sister of dishonor as to hear him call

labor a pauper! Labor should not be a pauper, for she is the Goddess to whom all men must go for their riches! God from on high has endowed her with a wand of almost infinite potency. With it she strikes upon the mountains and they crumble; she points to the sea and its waters recede and dikes and new land take its place; she stirs the sands of the desert and they bloom as a garden, and, delving deeper, the very bowels of the earth give up their treasures. Oh, Labor, if thou art indeed a pauper, how dishonest have been thine enemies! How incompetent thy priests! I say to you that if Labor is a pauper, the time has come when we must put a stop to the looting of her shrine and the mismanagement of her resources.

But at present I shall not dwell too long upon this part of my plan. I shall go on and explain to you the working of the laws with reference to machinery and with reference to pensions which I say that men should have.

CHAPTER VI.

A DESCRIPTION AND PARTIAL DISCUSSION OF THE PROPOSED LAW RELATING TO TAXING LABOR WHEN DONE BY MACHINERY.

Heretofore the favorite remedies suggested as a solution of the machinery problem have been shorter hours of labor and the plan of living as a great family in communities. The first plan would be an unnecessary waste of human energy, and the second plan would operate to thwart all personal liberty and individual ambition. By the plan I suggest, all men can get the benefit of machinery and still live just as they do today, without making any great change in affairs at all. There should be added to the duties of the patent office at Washington the duty of declaring whether or not an invention is labor saving in its nature. Of course, there are many useful little devices invented that are not labor saving, such as pen holders, smoking pipes, stoves, etc., and then again, there are other little mechanical contrivances which, although essentially labor saving in their nature, still do not belong to that class of machinery which has become so dangerous by displacing labor and by reducing the grade of the laborer from that of a skilled workman to that of a common machine hand. Thus, a corkscrew may be said to be labor saving, but it would not come under the class of machines which mankind wants controlled. One of those small sausage grinders which the housewife

fastens to her kitchen table and uses in the preparation of mincemeat and Hamburger steak may be said to be labor saving, but it would not come under the class of machinery that is menacing the laborer of today; nor would it be desirable to include in the classification to be controlled any labor-saving machine or tool which is designed to be used in every household or to become part of the kit of tools of the individual workman in any trade, for it is plainly to be seen that men already receive the full benefit in a general way of that class of labor-saving machines and tools. But when the patent office at Washington (or some commission appointed for the purpose) shall decide that a machine is of such a labor-saving nature as to do a certain amount of work with less men than theretofore, or as to do a larger amount of work with the same number of men, or of such automatic nature as to displace the labor of man entirely, or as to reduce the grade of the men employed about it from skilled to unskilled labor, either in the factory, the mill, the slaughter house, the foundry, the mine, or in any other line of industry employing labor, then it shall be the duty of such patent office or commission to so declare and to say to the inventor of that machine: "The United States government will exercise a supervision over the manufacture of that machine for you as long as there is any demand for its use, and the government will collect a rental tax on it from such manufacturers as want to use it, and will pay you (the inventor) a certain percentage of the first \$10,000 of rent which the government receives per year for it, and a certain smaller

percentage of all over \$10,000 per year which it receives as rent." Now, let us see how this would work out: We will say that a machine is invented, by the use of which a man in a shoe factory, who could formerly turn out five pairs of shoes a day, could, with the aid of the new machine, turn out ten pairs of shoes a day. It is evident that the shoe factory would formerly have had to pay two workmen for producing ten pairs of shoes in a day, which ten pairs of shoes they now procure by paying only one workman for a day. Therefore the shoe factory, by the use of this machine, gains the labor of one man per day on each machine of the new kind that it puts into operation, or a total gain of 365 days of labor per year for each machine. Of course, the cost of maintaining and operating the new machine, as compared with the cost of maintaining and operating the old machine, or process theretofore used, would have to be computed also in order to arrive at the exact amount gained by using the new machine. But we are principally interested in the labor saved by the machine. Now, if the government were to charge as rent for the machine an amount equal to the amount it saves the shoe factory in wages, etc., there would, of course, be no incentive for the factory to use the machine, and neither the inventor, the proprietor of the factory, nor anyone else would receive any benefit from the machine, if not used. If, however, the government would charge a rental equal to one-half the labor-saving value of the machine, then the shoe factory, which could not get the machine in any other way, would be glad to pay the government that

amount. "But," you say, "while I can not at present see what good it would do for the government to get this rent, there is another thing to be considered. The different countries in Europe would not charge their manufacturers rent for the use of machinery, and therefore the manufacturers of Europe would have the advantage and would supply the people of the United States with goods, to the exclusion of our home manufactured goods." My friend, that matter can be regulated and controlled by a high tariff. A great many people in this country today believe that a high tariff is a good thing as a protection against cheaply paid foreign labor. I ask these people if a tariff is a good thing to protect us against the importation of goods manufactured by foreign workmen, why then is a tariff not a good thing to protect us against the importation of goods manufactured by foreign machinery? The trouble right now is that, no matter how much we protect our workingman against the competition of poorly paid foreign labor, we do not get the full benefit, for the reason that our workingmen are *not protected against the competition of machinery in our own country*. We have succeeded in protecting the American manufacturer and his workmen from competition with cheaply paid foreign labor, *but we have not succeeded in protecting the American workman from the American manufacturer who utilizes labor-saving machinery*. When the American manufacturer *sells* his goods he does not have to compete with the European manufacturer, and he can, therefore, sell his goods for a high price, but when the American manufacturer *produces* his

goods, the American laborer, who does the work of producing those goods, finds that he (the laborer) has to compete with machinery in this country, and, therefore, the tariff on foreign-made goods does not protect him (the laborer) as much as it does the manufacturer, and he (the laborer) has to protect himself by forming labor unions and such means. What I propose is equivalent to a *tariff on goods manufactured by machinery in this country*, but not a large enough tariff to be prohibitive, as it is desirable to manufacture goods by machinery in this country if the whole people will get the benefit. Of course, the government would not have to actually engage in the manufacture of machinery itself, but it could have a supervision over the manufacture of labor-saving machinery, and could require that every such machine in existence be registered and numbered, and the government, instead of charging a rental, in such a case could simply assess a tax of the same amount that the rental would have been in the other case. Of course, an allowance should be made for such time as any machine might stand idle. When we have such a tax on goods made by machinery, then the individual workman with his small workshop will be able to compete in some measure with the capitalist who possesses a large machinery plant, and the workmen in the large machinery plant will receive higher wages, while all of our citizens will participate more equally than they do now in the benefits arising from a protective tariff. But the advantages mentioned above do not constitute by any means the full amount of good that will be ac-

complished by this law with reference to machinery. In order to explain to you how the whole people will get the benefit of machinery when the government supervises and taxes the same, it will be necessary for me to enter into that portion of my plan of improvement which relates to pensions in the following chapter.

CHAPTER VII.

A DESCRIPTION AND PARTIAL DISCUSSION OF THE PROPOSED LAW RELATING TO PENSIONS.

You will have noticed that by means of the various measures advocated in this book, the government would receive quite a large and excessive revenue in addition to the revenue it receives at present: First, the impost duties collected by the custom house department would be higher; second, there would be a slight percentage of profit over and above operating expenses from the various railroads and other industries controlled by the government; third, there would be a revenue from the money tax amounting monthly to 1 per cent. of all money in circulation; and, fourth, the government would receive a large rental tax from individuals, firms and corporations using labor-saving machinery in their business. Now, the proper use for the government to make of this great amount of surplus revenue would be to give to every citizen of the United States a pension, whether such citizen be a male or a female, white or black, adult or child. That pension should be the same in amount for all. The rich man would receive the same as the poor man. If there should be any special reason why any particular person should receive a larger amount, that matter could be regulated by a separate special pension in the same manner that pensions are now granted, and the government would be just as strict in the matter of granting special pensions as it now is, and would not

grant such special pensions for any other reasons than such pensions are now granted or may in the future be found to be the policy of the general laws on that subject. Now, while I contend that 99 per cent. of our citizens will, by the operation of the various laws I have mentioned, make much larger profits than they have heretofore made, still in all likelihood, that portion of each man's income which will be covered by his share of the general pension will amount to only a small sum each month, and it is not my contention that anyone is going to be greatly benefited by the mere matter of having a small sum of pension money added to his other income each month. That is not the reason I suggest this pension, although I will say that if a man were the head of a family of eight, consisting of himself, his wife and six children, even if the pension amounted to only \$1.50 a month for each individual, still it would aggregate for the family a total of \$12.00 a month, and might come in very handy. The principal reason for which I suggest the pension is that it would take a vast amount of money once each month and put it right down at the bottom of the channels of trade and allow it to percolate up in its natural course through the hands of that great mass of small trades people, through the hands of the middlemen, and right on up to the hands of the wholesale merchants and manufacturers. In other words, this pension is a necessary part of the great automatic system which this book advocates. This pension would also have a very beneficial effect in stopping crime, because the government would have the name and address of every citizen, and any man who was a criminal and

fugitive from justice would either be captured when he drew his pension or he would have to forfeit his pension. Men who were sent to prison should have their pensions stopped during their terms of imprisonment. At that time the knowledge of the government as to the personnel of its citizens would be so accurate that it would be found advantageous to have the national government supervise the voting of the people at all elections, and there would then be just as few instances of false votes being put in as there are now of wrong persons drawing pensions, and cases of false voting would be as surely and strictly punished as pension frauds now are.

This pension would be proper also for the reason that there would be so many different sources of taxation that it would not be right for the government to retain and squander its immense revenue by having an expensive administration of its affairs. The excess taxes should be returned to the people in the shape of an equal pension. The object of the tax is not to give the government a revenue, but to prevent money from centralizing and to keep any one man from controlling a large amount of labor, as represented by labor-saving machinery, and making human labor compete with it, and that, too, without giving humanity in general its proper proportion of the profits, and the object of the tax (on money) is also to prevent the factories from shutting down simply because at any time there happens to be enough of the output of those factories in existence to satisfy the current needs of the consumers of that output. If we can so arrange matters that that output will be a valuable form in which to hoard wealth,

then the factories will continue to run, and the laborer keep his job, even after enough has been produced to satisfy the *current* demand of the people for purposes of consumption. Money under our present system always has a tendency to centralize in the hands of a few, and the only remedy for this evil tendency is to tax it (which will keep people from hoarding large amounts of it) and then give the people back their tax (and at the same time keep up a continual process of equalization) by means of a pension to every man, woman and child. There would be nothing wrong with this pension, because every person would get it. It would be fair for all. Under our present system goods made by machinery are cheap in price, but men are thrown out of work and can not buy them even at the cheap price. A man can not be a consumer unless he has money, and that fact not only injures the man himself, but it injures all merchants and manufacturers in business, and if we can have a system by which even a man out of work would receive for himself and his family the means of becoming a consumer to at least a small extent, all the merchants and manufacturers will be benefited where they were before injured. Men in their individual capacity do not seem to have enough faith to make them loosen up so as to cause things to run smoothly, and hence it is that it is necessary for the government to take upon itself this burden.

If we are to continue under our present competitive commercial system, under which each citizen enjoys so much of the personal liberty so dear to his heart, to go where he pleases and engage in what occupation he desires, then this pension will become

an absolute necessity in connection with the machinery problem, for the time is surely coming, though perhaps far distant, when the machinery used in mining, farming and manufacturing will be so perfected that it will require only about 10 per cent. of the laborers now engaged in those different lines. Of course, at that time many of the laborers constituting the remaining 90 per cent. will be engaged in nobler pursuits and in the production of works of art, etc., but they will be affected by the fact that machinery will be doing so much of the work, thus tending to keep them from getting employment, and they should participate in the benefits of machinery at that time by receiving this pension, which at that time will amount to quite a large amount for each individual. In other words, not one dollar of the tax on labor as represented by machinery should be so used as to be an expense to the people, but every dollar of it should be returned to them in the shape of the pension. It is a necessary part of the automatic system. If you have gained the impression that it is an expensive system, you are mistaken. The new system costs the people absolutely nothing over and above what they now pay as taxes. Every dollar collected as taxes over and above that now collected under our present system is returned to the people.

I once stood by while two gentlemen, one of them a United States senator, were discussing matters of political economy. In the course of the conversation the senator said to the other gentleman: "Oh, you fellows are a lot of cranks. Some day we will run this government to suit you and we will give every man a pension!" He said this in a very scorn-

ful manner, as being about the most ridiculous thing imaginable, but I say to you that in the simplicity of his mind he spoke better than he knew, and that he may yet live to learn that the wisest part of his discourse was that which he exploited as most ridiculous.

CHAPTER VIII.

CONTAINING A GENERAL DISCUSSION OF THE THREE PROPOSED LAWS AND SHOWING THEIR APPLICATION TO THE SOCIAL PROBLEM.

Under date of July 2, 1900, the United States Treasury Department issued its Circular No. 113, containing "Information Respecting United States Bonds, Paper Currency, Coin, Production of Precious Metals, etc." On page 62 of that circular the amount of money in circulation in the United States for the year 1900 is given at \$2,062,425,496.00. The population of the country is placed at 77,816,000, and using these figures as a basis, the circular shows that the per capita of money in circulation for the year 1900 amounts to \$26.50 for each individual.

It must be apparent to every one that when the government controls and operates the great industries contemplated by this book, it will be perfectly able to redeem its promises to pay in labor and service to an amount much greater than the present sum of money in circulation, and especially is this true when we consider that it will make a slight profit on each promise to pay that it redeems. It is very apparent, also, that should the government adopt this kind of money, in all probability, the amount outstanding or in circulation would never reach a sum as large in proportion to the population at any time in the future as the amount now in circulation of our present kind of money bears to the present population. I say this because it is a self

evident proposition that money which would be taxed automatically would not be hoarded by the people, but that the man who had his business in a healthy state would keep on hand only such amount of money as would be necessary to run his business, and further, that commerce would not require as much of a kind of money which would circulate properly as it does now of a kind of money which by its very nature does not circulate properly, but is clung to by everyone, and valued not alone on account of its *present* purchasing ability, but because people want to hoard it. This money would not be dishonored or refused by the public. Indeed, if an insufficient amount were in circulation, the great producing and consuming class of the United States would make a vigorous demand that the matter be corrected. In fact, at such a time the great demand for it would cause the matter to adjust itself. Thus: The money would consist of promises to pay by the government, and, of course, the government would be constantly and continuously engaged in the work of redeeming those promises as they were presented at the various offices where its railroad, street car, gas, electric light, water works, coal and other lines of business were conducted, and of necessity (after the money had once been properly put into circulation) there would always be a certain large amount of it outstanding which would be circulating from hand to hand amongst the people, who, of course, require money for purposes of commerce. The infusion of a large amount of circulating medium into the general commerce of the country would be assured by the fact that the government would continually

be paying out these promises to pay to its large army of employes at work in the various industries controlled by the government. These employes would not present the money directly to the government for redemption in the particular branch which employed them, but would put it into circulation by spending it with grocers, butchers, clothing merchants, landlords and the like, who would have it redeemed in any of the many lines of industry controlled by the government, or would circulate it among themselves, knowing full well that it had behind it all the valuable commodities and service of those great industries and not simply a limited amount of one commodity, to-wit: gold. The government itself would be the largest business concern in the country, and would always be in a position to feel the financial pulse of the country. The growth of commerce under this system would be large, and, of course, the population would increase as it has done in the past. When the government, through its own business connection, discovered that there was inconvenience experienced in procuring enough money with which to do the business of the country, it would be its duty to cause a large quantity of coal to be mined, or to have betterments made on some of its property, in payment of which it should issue an additional amount of money commensurate with the needs of commerce. Now, one of the great distinguishing points between this money and the money we have at present would be that the quantity of the new money in existence at any time would not be the thing which regulated its value, whereas at present the value of our money, like the value of any com-

modity, depends to a great extent on the amount of money in existence. The regulation of the amount of money in existence, under the plan which I suggest, would not be for the purpose of regulating the value of the money, but simply for the purpose of having the quantity of money in existence adapt itself to the convenience of the people in view of their commercial needs; but the value of the money would not be changed by the quantity. When a written instrument (issued by a *solvent* concern) is by its terms a representative of value, its value consists in the fact simply that the thing of which it is a representative is a thing of value, and its value is not changed by any change in the quantity of the written instruments outstanding, as long as the concern which issues it remains solvent, but any change in order to affect its value would have to be some change which affected the value of the thing represented. Thus you see that in this respect the same rule would apply to this money as applies to a government bond. The value of a government bond does not consist in the intrinsic value of the paper and ink of which it is composed, and therefore the value of a government bond today (issued by a *solvent* government) does not depend on the supply or number of bonds outstanding issued by that government, but depends on the amount of principal and interest which that *solvent* government is to pay under the terms of the bond. Of course, if too great a number of bonds is outstanding, that fact will affect the solvency of the government, and then a further element has necessarily to be considered in arriving at the value, but that forms a question of itself else-

where discussed in this work so far as it applies to our government. At present I am arguing the case from the standpoint of a government of *perfect solvency*. Of course, it is also true that the value of such bonds could be *slightly* changed by their becoming the subject of manipulation or jobbery in the market. But the idea which I have been trying to convey is this: Suppose a government at one time has outstanding \$1,000,000 of bonds, and that it issues an additional \$49,000,000 of such bonds, making the total amount \$50,000,000, the said government being perfectly solvent for either amount: The law of supply and demand does not apply to such a case, as bonds are simply *representatives* of value, and therefore the fact that the outstanding amount is fifty times as great as before does not necessarily cause any change in the real value of the bonds whatever; but if, from some source, the amount in existence of the thing in which those bonds are payable (gold) could be multiplied fifty times, the law of supply and demand would have full sway, and the real value of those bonds (while they would still call for the same amount of money or gold) would nevertheless be much depreciated because of the fact that gold had become so plentiful as to lose greatly in purchasing power. The value of the money which I advocate would always depend ON HOW MUCH SERVICE THE GOVERNMENT WOULD PERFORM FOR A DOLLAR. Please do not lose sight of the fact that this money is based on LABOR, and that God Himself regulates the quantity and that He has provided manual labor in exact proportion to the population. The only way this money would

appear to change in value would be for labor itself to become more productive—that is, the labor of one man capable of producing more than it did before. At that time all things produced by labor would properly sustain a less relative value to labor, or to money based on labor, and at that time the government would give more service for a dollar and the people would get the benefit. Any change in the purchasing power of money that was caused by that fact, however, would not be a change that worked injustice to any man, and would not be a change in the relationship which the value of money would sustain to a *stationary standard of value*. The *real* value of an article depends on what sacrifice or labor a human being has to undergo to get it. This rule does not conflict with the rule which says the intrinsic value of an article depends on the supply and demand, for you will see that when the supply is great and the demand is small, a man ordinarily does not have to undergo much sacrifice or labor to get the article. Now, to make the application: If a manufacturer were one year to borrow from another manufacturer 10,000 pairs of shoes which it had required an amount of labor equal to the labor of one man for 4,000 days to produce, and if the first manufacturer were to pay the second manufacturer a similar 10,000 pairs of shoes back, after a lapse of time of two years, and if, in the interval, improved methods in shoe manufacture had rendered it possible for those 10,000 pairs of shoes to be produced by an amount of labor equal to the labor of one man for only 2,000 days, which change had resulted in a lessening of the value of shoes, it will be seen that while

the last manufacturer had received back the same number of shoes of the same kind, still he had lost by the operation, because of the change in value during the two years that had elapsed. Now, in the case of the money I propose, its purchasing value will only increase in exact proportion as the producing ability of labor, on which it is based, increases, and men borrowing and paying in this money, although the payment may be made many years after the loan was procured, will find that the money itself, in its purchasing value, has taken into account the change in the amount of labor or sacrifice necessary to produce all those different kinds of articles for which money is exchanged. Professor Laughlin, in his "Elements of Political Economy," heretofore mentioned, and in the same paragraph from which we have before quoted, states as follows: "Hence the value of money (gold or silver) does not remain the same for any length of time; and the precious metals, while they are very satisfactory for exchanges which do not take very long to complete, can not serve as a proper measure of value during a long term of years.

* * * Nor is there another article any better, or even so well, adapted for this purpose." I agree with him when he says that gold and silver are unfit as a measurement of value to be used in long time contracts, but I do not agree with him when he says nothing better can be used. I will say right here that under our present monetary and commercial system there is absolutely no connection between the means by which money is produced and the demands of the commercial world for money. In his next paragraph (74), Mr. Laughlin goes hopelessly astray

and endorses what is known as the "multiple standard." He contends that in order to pay back the exact amount in value that was borrowed, when the payment is made a long number of years after the loan, the borrower should only pay back such amount of money as would be necessary to purchase in a given market a quantity of various kinds of goods exactly equal to the quantity of such goods that could have been purchased for the amount of money loaned, at the time of the loan. One can see how this would work out: If you lend me \$100.00 in the year 1900, for which I can purchase a certain amount of twenty different kinds of standard articles, and if, in the year 1920, I desire to pay you back, and if a list of exactly similar articles can be bought for \$50.00 at that time, it is his contention that under a just standard of value, I should only pay you \$50.00 back. (Of course, the amount of interest that may have been paid every year is not to be considered in this proposition. We are speaking now only of a repayment of the principal.) This is absurd. Professor Laughlin forgets that in a previous portion of his work, "Elements of Political Economy," (paragraph 58), he said: "To have value, a thing must be such that we are obliged to undergo some sacrifice in order to get it. * * *

The sacrifice undergone is greater in getting a pearl than in getting a piece of coal of much larger size; in fact, the number of days' labor spent in finding a large pearl would, if spent in coal mining, produce several tons of coal. Then, if the pearl costs more labor to get it than a piece of coal, it is evident that more sacrifice is required in the case of the pearl than

in the case of the coal." If Professor Laughlin had read his paragraph 58 before he wrote his paragraph 74, he never would have written the latter paragraph. Instead, he would have argued as follows, to use his own language in paragraph 58, substituting in place of the pearl and the coal, the matter dealt with in paragraph 74: "*The sacrifice undergone in producing a certain amount of certain articles now may be greater than it will be twenty years from now to produce a larger quantity of those articles; in fact, the number of days' labor spent in producing those articles now would, if spent in production twenty years from now, produce a much larger quantity of those articles. Then, if the articles as now produced cost more labor to produce them than the same amount of articles produced twenty years from now, it is evident that more sacrifice is required in the case of producing that certain quantity of articles now than in producing the same quantity of the same article twenty years from now.*" In other words, the finely-spun theory of "Multiple Standard," when subjected to the light of the truth contained in Professor Laughlin's rule of value in paragraph 58, develops the fact that under said "Multiple Standard" there is no assurance at all that a man would be paying back the same in value. The "Multiple Standard" goes on the theory that the sacrifice or labor necessary to produce a list of articles is the same at periods of time far separated from one another, which is a mistaken idea, and should not be taught to students of political economy.

The "Multiple Standard," partly comprehends the relationship in value of commodities to each other, *but it does not comprehend the relationship of the*

value of commodities to a stationary standard of value. It strikes a blind average, and uses that as a standard, notwithstanding that that average must surely jump up and down in answer to every change in value of commodities, and it ignores the fact that a scientific *stationary* standard of value may be arrived at by simply considering the amount of labor or sacrifice which a human being will undergo to produce or obtain those commodities, in relation to which stationary standard of value it is very proper that the value of all commodities should change as the result of phenomena affecting themselves and one another.

I have called your attention to the matter of the amount of money in circulation because I am convinced that those men who are capable of controlling the money market today (either gold or silver, or both) will try to make you believe that this money which I am advocating is no better than fiat money, and that if the government should adopt it, it would ruin the credit of the government. These men simply lie to you! They know that the government is solvent and strong, and they know in their hearts that if the government owed in interest-bearing bonds ten times the amount of the present money in circulation in this country, they would still be willing to buy those bonds and pay a premium for them. Then why should anybody question the solvency of the government if it were to issue some money redeemable in service, on which it made a profit every time it redeemed any, and which, instead of bearing interest like bonds, would itself be a source of revenue to the government, because it would be automatically taxed? These men will not fight this money

because they have a tender solicitude for the credit of the government, nor because they are afraid money based on the credit of the government (with a provision for actual redemption in value) would not be good money. What these men are afraid of is that their corner on the money market will be disturbed, and that's all they are afraid of.*

The laborer is worthy of his hire, and this applies all the way up through the lines of industry, from the workman in the shop to the manufacturer in his office, but there is one man who does not earn what he receives. That is the man who lives by collecting interest, and he is the man who will oppose the plan advocated herein. Those of you who are manufacturers, merchants and middlemen will not oppose it when once you understand it. You should ask no more of money than that it be a representative of value and a medium of exchange. You are men whose prosperity peculiarly depends upon the rapidity with which commodities are exchanged in the channels of trade, and upon the ability of the great mass of the people to act as consumers of the wares in which you deal. *You, of all classes of people, should demand that we have a money incapable of being hoarded.* Then those amongst you who are progressive and enterprising, and who desire to go ahead

*The above contention of the writer, made seven years ago, has been borne out by the attitude assumed by recent conventions of bankers, at which was most favorably discussed the proposition that the national banks should be permitted to issue money, based simply on their own credit and limited only by their own rules and ideas. Surely the people of the United States will never be so weak as to surrender this important function of government to those having selfish interests to serve, nor so weak as to admit that the government would be less responsible than the bankers.

and reinvest your money in your business, can do so without fear of becoming a sacrifice to the rest of society, because all of your competitors will also be forced to put their money back into circulation and make things lively. Under the present system you gentlemen cut a very ridiculous figure, and resemble nothing else so much as you do a lot of fishermen, sitting on their lines and hooks and hoarding them instead of catching fish with them. You people must not hoard money and try to get rich in that way. There is only a per capita of money in this country of about \$26.50. That is not enough to permit many people to become very rich; and even if the per capita were very much larger, thus enabling many people to acquire large sums of money, they would find out that they had not succeeded in getting rich, because if all of us had large quantities of money, the money would be practically worthless. The only rational way in which any large proportion of humanity can become rich is in material wealth—not in money. What you need is not more money, but a proper system. To make the comparison which I have above mentioned between yourselves and the fishermen exactly fit the case, it would be necessary to put the fishermen in a condition where the amount of lines and hooks which they could get would be limited, just as the supply of money is (and should be) limited with the business world of today. Then I think the dullest of you gentlemen would be able to see how ridiculous the fishermen would look if they tried to get rich by hoarding fish lines instead of catching fish with them. You would say: "There is only a certain number of fish lines in existence; therefore

the combined wealth of those fishermen will never be any more than it is now. Why don't they make a rational use of their lines and catch fish with them?" I say to you, gentlemen, that you are standing upon the banks of an ocean of labor, and that if you are willing to cast and re-cast your monetary lines into that ocean, it will throw you up wealth as continuously and plentifully as ever the salt waters of the sea were able to deliver up fish to fishermen, but in order to make this possible you must take your wealth in fish—not in fish lines. All the lines that any fisherman needs is enough to do his fishing. The picture of the fishermen which I have presented to you looks absurd, because we all know that there is no reason why fishermen can not go on and fish, but with you gentlemen the case is different. It is a fact, under our present system, that those of you who are our best citizens and realize that the laboring classes, by whose labor you live, can not themselves live unless you reinvest your money, are not able to safely carry out your public-spirited impulses without becoming sacrifices to the greed of your brothers in trade who refuse, from selfish motives, to let go of that convenient form of wealth known as money. Therefore, you benefit their business by putting your money into circulation, but ruin yourself, because you receive no compensatory benefit, as you would receive if they would also reinvest their money. What I recommend is a plan of government patterned after the work of God Himself. See how He has constructed the human system with its heart and its blood vessels. When the heart pumps the blood into the system, the system just as surely allows it to pass back into the heart. Here

there is that perfect co-operation between the heart and the system as to blood that there should be between the employer and the employed today as to money. The heart does not try to hoard up the blood by taking a percentage of its quantity each time it passes into the heart. If it did, then indeed would all parts of the system set up a *free silver agitation** and say, "We have not enough circulating medium," and the heart would answer back, "Oh, I don't see how that is. I have plenty of circulating medium. What we want is not more circulating medium, but we do want confidence and good credit established, so that when I send blood down into the rest of the system I will know that I will be able to get it back again, with some more besides as interest on it." No, God did not make the human system that way. If he had, human kind would have stopped about where it started, for the first man who was produced would have only lasted long enough for his heart to beat about ten times. You people need never expect to have confidence restored in this way, because it is absolutely impossible for you employers to keep on hoarding your profit in money, until you get about all the money there is in circulation in your hands, and then still have confidence of getting more. *There isn't any more for you to get.* What you want is a proper system. Then you will have confidence. You must look to the government for that proper system.

I have heard a great many so-called statesmen, who were sent by the people to represent them in

*"Free silver agitation"—this phrase has reference to the agitation at recent presidential elections in favor of increasing the circulating medium by admitting silver ore to free coinage, the same as gold, in the United States mints.

law-making bodies, complain that people made them sick and tired by expecting them to legislate prosperity. They say: "Why, prosperity comes from God. You can not legislate prosperity." My friends, God has given us all we need to make us prosperous. Don't let these men fool you. Apply the same rule to them that you would apply if you wanted to hire a man to shake a carpet. You would not hire a man to shake a carpet who said it couldn't be done, would you? Then why do you send men to Congress who say they can not legislate prosperity? Why don't you pick out men who can do the work?

But to return to the human heart and the blood vessels of the human body. There we find that confidence is complete. The heart knows that the blood can not get away when it passes into the system. It knows that the blood will come back, even though it comes back through different channels than those through which it was distributed, as in the plan proposed in this book. And as for the system, it, too, has confidence. It knows that the blood can not get out at the heart end of the business, but that God has so fashioned the heart that it will promptly return the blood. You will notice also that when God permits the human body to become prosperous and well nourished, it is done mostly by means of fat. The body becomes prosperous not merely in blood, but by the acquisition of great quantities of fat. The same principle of perfect co-operation would apply to our monetary and commercial system today, if you gentlemen, who represent in that system what the human heart does in the human body, would send back the money into the channels of trade as

promptly as the human heart sends back the blood into the system. The trouble is that you are using a commodity for money to which the principles laid down in this book can not be applied.

The most responsible students of the money question unite (and very properly) in saying that money should not be a mere fiat, but should represent value. There is, however, a distinction between intrinsic value itself and a representative of value. Thus, neither a promissory note for the payment of a certain amount of gold, nor a contract of delivery for the delivery of a certain number of bushels of potatoes, contains any intrinsic value in the paper and ink of which it is composed. Yet, contracts of such a nature, if signed by *a responsible person*, who will carry out the terms of such instrument, are true representatives of value, and no man would part with title to them unless he received their full value. It will be conceded, therefore, that if a government is solvent and responsible, while the simple printing by it of a declaration to the effect that a piece of paper is money would not give that paper any real value, either intrinsic or representative, yet, if that government will actually enter into a written promise to pay value, then such written promise to pay, secured by the property of and signed by such a solvent and responsible government, actively engaged in actually redeeming such promises to pay, would be a true representative of value and medium of exchange, and as such, would be all that men have a right to demand as money. Now, if we have money at all, we want that money which is best for the people in general, and the question then arises, in accept-

ing these promises to pay of this responsible government, what do we want the promises to be payable in? I think I can hear every money lender in the country saying "gold," or, perhaps, "gold and silver." My friend, gold and silver are only commodities, and are entitled to no more consideration at the hands of the government than any other commodity. A farmer might just as well demand that these promises be made payable in wheat, and his demand would be fully as justifiable (except upon the score of convenience in handling and preserving, which is not of itself of sufficient importance to allow it to have a deciding influence in the matter). As shown elsewhere, gold, while it never varies in value when measured in itself, nevertheless does vary in value in its purchasing ability of other commodities, said variation being caused not alone by changes affecting the value of those commodities, but by changes in the production or demand for gold itself, as the value of gold is dependent upon those ordinary laws which are applicable to all commodities. If the supply of gold could be diminished or increased in exact proportion to the demands of the population, it would thereby be enabled to sustain such an even and unvarying value as money should have, but, of course, that is impossible. On the contrary, it is possible and even probable that advanced processes in mining and in chemistry will, in the near future, cause very erratic variations in the value of gold. We, therefore, see that in using gold as money, we are violating one of the simplest laws of mechanics, which demands that the material out of which an article is constructed shall be that material which is best adapted to the

uses to which that article is proposed to be put. Those nations which use silver as money are violating the same rule. At the present epoch in the history of man (speaking now simply of his material interests while in this life) three certain different things constitute the most important matters with which he has any relationship. Those things are land, labor and money. Land, of course, was a necessary condition precedent to the existence of humanity at all in its present form. Labor is the means by which man gains from the land those products necessary for his material welfare; and money is the means by which, living in a state of society, he is enabled to organize a division of labor amongst his kind and to exchange the product of one class of laborers for the product of another class. This being the true use of money, does it not appeal to your reason that if such a responsible government as I have above mentioned is going to issue its promises to pay to be used as money, that such promises ought not to be made redeemable in any particular product of labor, such as gold or silver (which are just as much products of labor as iron or steel), but that the money ought to be redeemable in that thing which produces all commodities, and which God has provided in exact proportion to the population, to-wit: labor or service itself? When you have such a money, and enact a law levying an automatic tax upon it, under a system by which the tax can not be evaded, then you will have real money—money that will act like the blood in the human system—money which (because of the ability of the government to do more service for a given price than a private cor-

poration is willing to do) would be more valuable when spent than any money which we use at present (but which, if hoarded, would be automatically taxed)—money which you employers of labor, through self interest, would reinvest as fast as you got it. In other words, you would get your profit in money, but would promptly reinvest all surplus above a working capital in some form of material wealth; and as all material wealth, aside from land, is the product of labor, the money would be continually sent down into the hands of the laborers. You gentlemen know that it can not get out at that end, but that it must come back up through the channels of trade into your pockets again. In other words, it is my contention that our present commercial system is in a sickly condition, and what I am trying to do is to improve and correct the quality and circulation of its blood, to the end that the system may acquire more fat than it has at present. It is to the interest of such of you as are merchants, middlemen and manufacturers, in legitimate business, to have this done, and hence it is that I say you will be in favor of this plan, it being a law in human nature for a man to be in favor of that which is to his advantage.

But to go back to those men who are the bond holders and stock holders of the large industries which so many people think the government should run: Those men are going to laugh very heartily at the idea of giving every citizen of this country a small pension. Yet those same men do not think it is at all ridiculous when they receive dividends on their stock, but their dividends are not called "pensions." Well, my friend, if you so decide, you can

call the small amount which you will receive from the government each month a "dividend" instead of a "pension." In the future, the people at large will be the stockholders in the industries controlled by the government, and if the government shall run those industries with a small profit as a margin of safety, then, after enough has been accumulated to guarantee that safety, each citizen should receive his share of any surplus in the shape of a dividend once a month, and the matter will be *no more laughable than it is now, when those profits are paid into the pockets of a few.*

"Oh, but," these men will say to you, "you poor people have always talked about what a terrible thing interest is, and now you are going to have to pay a great big interest all the time on money." Well, now, let us see: Suppose you are a farmer and need money. You go and borrow \$1,000.00. Now, you don't borrow that money to hoard, and if you don't hoard it, you will not have to pay any tax on it. You borrow it because you need it to spend. After you have spent it, someone else will have to pay the tax on it, and if anybody gets hold of that money and tries to hoard it, it will be taxed once each month. You go to a man today who has money and he will charge you interest for a loan, but in the future, with the money I suggest, a man will lend you \$1,000.00 for a year without interest on condition that you will pay him back \$1,000.00. He will be glad to do that, because by that means he will be able to hoard that much money for a year without having it diminished in amount by the automatic tax, that is, the money will go on circulating and being

taxed, but at the end of the year, when you pay the man back, he will be in the same position as if he had succeeded in hoarding \$1,000.00 without having it taxed. He will not pay the tax on it, and neither will you pay the tax on any considerable portion of it, because, if you borrow it at all, it will be for the purpose of spending it. You will spend it at its full thousand-dollar face value, and you will get more for that \$1,000.00 that you borrow without interest than you can get today for any \$1,000.00 that exists, because, as before explained, when the government operates these different industries, \$1,000.00 will have a larger purchasing capacity than it has now. You will only have to pay tax on it for that portion of the time when you are accumulating a fund to return the loan and then not upon the full amount, but only on such portion as you may have accumulated towards the payment of the loan, and if you should have misfortune and not be able to accumulate any money for awhile, you would not be paying a tax during that time, but today, no matter how unfortunate you are, the interest on a loan keeps right on running on the full amount. It will be found that the man of ordinary means will always receive more in the shape of pension than he pays out as money tax.

The kind of interest that will have to be paid by the man who hoards the money is not the kind of interest that will injure humanity. Let me tell you what kind of interest it is that is harming society today: Do you know that there is scarcely a toll bridge, a water works system, an electric light or gas system, or a railroad in this country at the present

time which was not built largely out of funds raised by issuing bonds? Do you know that when extensive betterments are required to be made on this class of property that those betterments are frequently made by issuing bonds? Do you know that when these various bonds become due they are usually paid by a re-issue of bonds? Do you know that when they are issued in the first place they often provide, in addition to the annual interest, for a sinking fund of only one or one and a fraction per cent.? Do you know that a computation of the time which the bonds have to run in connection with the sinking fund often develops the fact that the sinking fund is not sufficient to retire the bonds? In other words, that when the bonds are issued it is not contemplated that they will be paid in full, but that new bonds will have to be issued for part of the payment? Do you know that the stock holders who own the valuable franchises under which these great public utilities are built and operated usually furnish only a small percentage of the money necessary to build them, and that the issuance of bonds provides the remainder of the necessary money? And do you know that the bonds are seldom sold at their full face value, but that it is a fact, in order to get capitalists to invest, a greater amount of bonds has to be issued than the amount which the stock holders require to assist them in building the property? In other words, that these great public utilities are often not only loaded down with interest-bearing bonds to the amount of the money borrowed to build them, but, in addition, out of their earnings there actually has to be paid inter-

est on money which never went into their construction at all?

I do not blame anybody in particular for this state of affairs. It has simply come about in a natural manner. It is a condition born out of the womb of the past, but it is a most serious condition. Who pays the interest on these bonds? The people of the United States do! How much longer are they going to pay it? It disgusts me when I think of the great number of public speakers and newspapers in this country today that get up a great argument for or against either party based on the fact that some national or state administration spent one or two million dollars of the people's money more than some other administration did in a given length of time, or less than some other administration did. The eyes of the great intelligent people of the United States flash with indignation when they discover that there has been a small waste of public money, but they stand by like stupid oxen and pay the interest on these bonds, and most of them don't even know they are paying it. They *are* paying it, however, for before the stock holders get their profit they are forced to pay out of the earnings of the property the interest on the bonds, and on account of these bonds the general public pays more for what it receives from the franchise holders, and the laborer receives less pay. There is not a bite of bread or a pound of steak that you eat and not a piece of clothing that you wear but what is higher in price today because of exorbitant freight rates, than it would be under proper freight rates. The various state Legislatures are beginning to protect the general public

by placing a maximum rate on the services of railroads. On the other hand, the employes of railroads are forming unions to keep from being too much oppressed on their end of the proposition. These two things, working from opposite directions, of course, have a tendency to curb the greed of the stock holders and bond holders of railroad corporations, but it is plainly to be seen that if the various state Legislatures were to become severe in this matter with reference to both freight and passenger service, the strain would be so great that something would have to give way. Supposedly the law of the state would be the strongest element in the proposition. Therefore either the stock and bond holders would have to suffer or else the wage rates fixed by the labor union would have to be broken, and the money to pay the interest on the bonds would have to be gained by grinding down the employes of the railroad. When things reached that strained condition, I tremble to think what the fate of the poor employes will be. As things are now, the employes frequently find it necessary to strike, and even when the strike is submitted to arbitration, they sometimes lose it, for the officers of the corporation are enabled to bring in their books and make a showing to the effect that they can not pay higher wages. They show that their gross earnings for the year past were so much. Then, as against those earnings, they show that the *interest on bonds* was so much; that taxes, repairs, betterments, etc., amounted to so much. Then they add in the wages paid to their employes, and show that the total adds up to such a large sum that they are able to declare a dividend of only one

or one and a half per cent. for the poor stock holders, and the board of arbitration is asked to decide in favor of the company. Why does not some representative of the strikers force the company to show how much cash was ever put into that railroad by the stock holders when it was originally started and how much since that time, so that the board of arbitration may know whether that one per cent. dividend is on money really invested or on watered stock? Why is the company not required to show whether the bonds on which it pays interest were sold for full face value or whether interest is being paid on money which never went into the road? Why is it not required to show the amount of the dividends paid to its stock holders in the past, so that the board may see whether or not the stock holders have long since received dividends which sucked the blood from the corporation, and part of which might well have been invested for the corporation as an offset to the outstanding interest-bearing bonds? Why does not the board investigate and see who are the bond holders and who are the stock holders, so that they may know whether the bond holders have bought out the stock holders, or whether the stock holders have bought out the bond holders? A bond holder whose interest had ruined the company, and forced its stock holders to sell him the stock at a low price, could afford to pay an assessment in his new capacity as stock holder, and thus let the men have fair wages, and a stock holder who had received such big dividends in the past as to enable him to purchase the bonds could also afford to pay an assessment.

Now, do not think for a moment that I favor any

plan by which this vast amount of bonds should be repudiated. The honor and integrity of this nation and of its people must be preserved at every cost. Repudiation is the weak expedient of the coward. *I say to you that the great common people of America are strong enough and resourceful enough to work out the problem of their future prosperity by means which are honest and just, both in theory and in practice; but I do say that the matter should be taken in hand and so managed that conditions in this respect will improve instead of growing worse.* If the United States government had run these great bonded public utilities, they would be on a cash basis by this time. Every dollar of these bonds would have long since been paid, and the people would not now be paying interest on them. In addition to this, the United States would not want a profit, as in the case of a private stock holder. Therefore the public would be served better and cheaper and the laborer would work less hours and receive more pay and more laborers would be employed.

But to return to the money tax: The poor man, who does not handle much money, will pay a very small sum in taxes on it, while the rich man, who handles more money, will pay more. This tax, it may be mentioned in passing, will accomplish all that is sought to be accomplished by those who advocate a graduated income tax, but it will not be class legislation, because it will apply to every citizen. It will be more beneficial than a graduated income tax, however, as (in the case of an income tax) the remainder of the money, after the tax has been paid, will be hoarded, or held at interest, while in the case

of the automatic tax which I propose, the entire cash capital of a man will be whacked at by a 1 per cent. automatic tax once every month until he learns that, while money is a representative of value, it is also a *medium of exchange*, and that its usefulness to mankind consists in the latter quality rather than in the former. As against the small amount which a poor man will pay on account of the money tax, he will every month receive a great deal more than that amount in pension money, and in addition will be benefited in his ordinary source of income by receiving higher wages and doing better in whatever line he may be engaged. Now, I suppose that some people will think they see a point at about this place:

“How can it be,” they will ask, “that both the employed and the employers will be benefited? It sounds very nice, but we all know that if we give one class a larger profit, the other class must suffer for it.” The reason that both classes will be benefited and make a larger profit is that there will be more profits to be divided. In other words, there will be more material wealth produced. There will be more labor employed, and every line of industry will be more active, and mankind as a whole will produce more from the earth, and, therefore, mankind as a whole will have greater prosperity. The old-fashioned way has been for people to try to live off of one another. Instead of co-operating in the production of wealth, they are content to let as small a portion of the community as possible produce the wealth, and then try to get it away from them in the channels of trade, even if they have to stop the production of wealth to do it, as in the case of the large trusts,

which are closing up factories in this country today. *The plan I advocate is desirable because it is automatic in its operation.* It does not force mankind to wait until each individual citizen becomes a good citizen and a public-spirited citizen before we reach that stage of social welfare which such an ideal condition would produce, but, recognizing the greed and selfishness and weakness of the individual members of society, it puts those individuals in a situation where they are compelled to follow out a system of unquestionable advantage to humanity as a whole, enforcing upon them only such regulations as will benefit them, leaving them in full and perfect control of the personal liberties which they value so highly, and preventing them from harming the rest of society in the exercise of those liberties, by means of absolutely just and self-enforcing laws. Nor will the pension mentioned above be class legislation, because every citizen under the government will receive the same amount of pension, except those who will receive special pensions for special reasons, as at present. .

Now, you business men may be of the opinion that it will be a great bore to stand in line once a month and wait to get your money exchanged for the next month's money, but it will not be necessary for you to do that at all. The banks of the country or government banks established for that purpose will do that business for you once a month, and your account in bank will be debited by the bank with the amount of the tax which it, the bank, had to pay the government on your funds. These proposed laws which I mention are very good laws for the well-to-do men of this country, as well as the poor men, because

after these laws are in force, rich men can still hoard gold and silver and precious stones. There is no objection to that. I don't care if they get possession of every ounce of gold and silver now mined and all the precious stones that have been discovered since the beginning of time. What I am trying to do is to arrange it so that, after they have gotten all that, they can still go on and become richer, by becoming rich in all classes of material wealth which labor can produce. At present they are like the fishermen I mentioned awhile ago. They limit their ability to become rich, because, instead of using money actively as a means of exchange, which will make them rich in material wealth, they value it as a convenient form of hoarding wealth. In addition to becoming rich in money, if men will operate under a system that will keep labor employed, and keep the wheels of machinery turning, they can become rich in material wealth also, as they did in biblical times, when men considered themselves wealthy if they owned great herds and wool and wine and spices in addition to their gold and precious stones. The only difference is that now the means of becoming rich in material wealth are much more numerous than in those olden days. The proper use of money by a business man is for him to stop hoarding it, and make it his servant, to the end that he may become rich in the manner I have mentioned.

Men of large business interests have gotten into a habit of thinking that the community depends upon them, when, as a matter of fact, like all other citizens, they depend upon the community. Appearances have the reputation of being deceiving, and it

is not always that a man who appears to be of great importance in a community is actually so. We will take the case of three hat manufacturers. We will say that they are men of high social position, are well educated, have large bank accounts and are generally regarded as pillars of society and the church. Now, these manufacturers meet and try to do business with one another. One of them says, "Here is a style of hat that I will sell you for one dollar per hat." The other two manufacturers say, "No, we can't give you a dollar per hat. We sell that kind for a dollar apiece ourselves, but we will give you eighty-five cents per hat for that style." "No," the first hat manufacturer says, "they cost me as much as eighty-five cents each to manufacture them, but I'll tell you what I'll do, since you gentlemen also manufacture this same style of hat, rather than have the trouble of manufacturing them myself, I will give you eighty-five cents each for them." "No," say the other two, "we want to get a dollar apiece for them." In other words, each wants the best of it. At any rate, it is against self interest and human nature for either to take the worst of it, and the case would be the same if the group of men I have mentioned had been composed of shoe manufacturers or manufacturers in other lines of business. No manufacturer would knowingly pay more for a thing to another manufacturer than he could produce the article for himself. Now, does a single wheel of commerce turn as the result of any dealings these men have with one another? Well, yes, when one of them is forced by temporary necessity or through the superior business sagacity of a rival to patronize that

rival, the wheels do turn stiffly and unwillingly. But in order to have the wheels turn briskly, we have to have one of the workmen who is employed in one of those hat factories, or in some other factory, go down town Saturday night and pay for one of those hats, not only the one dollar which the manufacturer wants, but also a profit to the merchant who sells him the hat. Then we have found a man who is willing to take the worst of it; then we see that a trade is made and that the wheels of the hat factory turn, and then we have discovered that the man who works in the factory is as valuable to society as the man who owns the factory. Now, while this is true, it is not my intention that the illustration which I have just given you should prejudice your mind against the employers of labor. I am not seeking to produce discord, but am endeavoring to bring about co-operation. There is a reason why the employer will not enter into a contract under which he gets less than he gives. He can not afford to! The laborer can afford to! This may not be the way in which you have been in the habit of thinking of this subject, but it is true, as I will show you: If an employer does business at a loss and continues to do so, his ultimate failure will be the result. But if a laborer produces a certain value in the products of labor, and receives for his labor a less sum than those products are worth, nevertheless, if the sum which he *does receive* is large enough to support him in comfort, then he can go on laboring as long as he lives (constantly giving more than he receives) and yet be prosperous and become richer every day. Under proper conditions, laborers can do this as a class

and still be very prosperous, but if the employers as a class were expected to do business at a loss, the whole commercial world would totter and fall. It becomes evident, then, that the employers can not in reason be expected to support the laboring classes, because of the simple fact that the employers are unable to do so. It, therefore, follows that the laboring classes are the ones who must, and *do*, support both themselves and their employers. The reason for this is very simple: The laboring classes are in themselves the source of all wealth. They produce all wealth. God gives them the ability to produce wealth and charges them nothing for their stock in trade, which is labor. If you employers will only realize this fact, you will see that a proper co-operation between employers and laborers is just as much to be desired by the employers as by the laborers. And as for the laborers, if they will give me their attention, I will convince them that (under a proper system) employers are very valuable to them, and that they can well afford to give a part of the product of their labor to men who will organize and manage industries employing labor, if those men will only do so under proper conditions. The efforts at labor of the primitive man must have had little about them to justify their being dignified by the name of labor, or to distinguish them from mere animal habits. I can imagine a man of that period. Living in a savage state, guided largely by instinct, and but little by reason, I see him in my mind's eye at a time when society was so much a thing of the future that he was without tribal connections, and even the family relation was but poorly developed. I see him clamber-

ing down the mountain-side, pushing his way through the underbrush, leaping over the trunks of huge trees and entering into the dark shadows of some mammoth forest. Volcanic forces have perhaps long since bodily lifted and overturned both the mountain and the forest and converted them into beds of mineral, but in my vision of the interminable past, I can see this primitive man approaching the entrance to the cave which has supplied himself and family with a den in which to live. I can see him pause before it and examine a large rock which has detached itself from the cliff above and now blocks the passage to his domicile. Now, I can see a faint light of reason flash across his countenance. He looks upward. He sees the place from which the rock was detached. The falling of rocks from cliffs has been a matter within his experience, and hence he looks upward for the cause of this rock being where he finds it. This is a hopeful sign. It is a little circumstance which indicates a slight reasoning faculty. My imagination does not tell me whether my primitive man takes the situation philosophically or, clenching his hand and raising it on high, curses some unfriendly power for the situation in which he finds himself, but I can see him approach the rock and attempt to move it. He fails. He tries again with redoubled effort. He grunts in his struggle. He stops and sits down upon a fallen limb and all the physical and mental forces within him acknowledge defeat. And now I can see another primitive man appear upon the scene. He may be the brother or father or son of the first one. Perhaps even their own memories are cloudy on that point, but I can see

the second man repeat the performance of the first with the same result. I can see first one and then the other make renewed efforts to remove the offending rock. And now, by what some people would call accident, I can see that the forces which underlie all human action have caused those two men to make the attempt at the same time. They both try to remove the rock, and before either has exercised his full strength, the rock trembles and moves and rolls away, and during the operation I have seen intellect again at work. It has lighted the faces of both men. It has flashed from the eyes of one to the other, and now they know the value of combined effort. Labor has been accompanied by reason instead of grunts, and that fire of intellect has been kindled which in later ages is to enable the mind of a Darwin to throw light back upon the dark prehistoric era in which my primitive man lives.

I am not able, and it is not my intention, to start in and trace the history of social evolution back to the period of the poor savages whom I have used in my illustration above, nor is it necessary, for without my doing so, it must be apparent to every laborer that the value of his labor does not consist in the mere brute-like strength which his muscles possess, but that labor is only valuable when intelligently directed and properly organized. Not going into the question of what constituted the earliest tendencies toward the proper use of labor, but restricting my observations to the century now coming to a close, it will take but little effort on my part to convince my laboring friends that during that century the most effective force at work in developing the pos-

sibilities of labor as a wealth-producing agency has been private capital, which in its own interest has been continually devising means of getting the best results from the least labor. Now, understand me, I do not claim that labor has received its just portion of the wealth it has produced, or that it has been given the opportunity to produce as much wealth as it could, of which it might have received a portion, but I do claim that, if the government will put into force a system under which the laboring classes will receive their just proportion of the wealth they produce, as outlined in this book, and under which they will all receive employment, then the valuable service which private capital and enterprise has rendered to labor will become apparent, and in the future, as the employing class continues to devise means of increasing the wealth-producing capacity of the laborers whom they employ, both classes will profit by the process and poverty will become a thing of the past. Although all laborers who desire it will receive work, and although their wealth-producing capacity will be continually augmented, nevertheless none of this wealth will be regarded as over-production, but the wheels of industry will turn faster and faster.

My friends, we can do without gold and silver, but we can not do without labor. If gold were to be produced in large quantities, the law applicable to all commodities would apply, and gold would lose its value. Of course, a quantity of gold equal to the gold in a dollar would always be worth a dollar, but what I mean is that the purchasing ability of the dollar itself would be decreased. The interest-

drawing capitalist of today may hug his gold bags to his bosom and fondly imagine that the time is far off when this will take place, but if he is wise, advanced processes and improved mining machinery, coupled with a larger field of operations, available to a greater number of persons, will open his eyes to the fact that some day the children to whom he will leave his gold may awake to find that their heritage has lost its magic power, and that all they have of value is, not that which they received from their father, but that which they received from God—their ability to labor. Gold should not be used as money. It is a commodity, and as such, can not be a proper standard of value, for its own value is subject to the same laws which affect the value of all commodities, and it, therefore, can not maintain that even and unvarying value which money should possess. Human labor is the only thing that God produces in exact proportion as he produces the human race, and it is the only proper basis for money. Labor is convertible into wealth. A man who is able and willing to work (even if he is out of employment and has no money) should not be stigmatized as a pauper. He has an equal share of wealth-producing power which God gives to every man whom He sends into this world. I have somewhere heard it said that one who takes more from a community than he gives to that community is a pauper on the community. At first blush this would seem to be a justifiable definition of a pauper, but on sober second thought we will see that one of the reasons men settle in communities is that, by existing in a state of society, they may be enabled to obtain a livelihood by their own labor and

by transactions and exchanges with the rest of the community. Therefore, if we gave too much weight to this definition of a pauper, we would have to say that the whole community were paupers. It would seem that the better version of the definition would be to say that all those who get their living from a community without rendering in return those duties which good citizenship demands are paupers on the community. I have shown you elsewhere in this book that at present an employer of labor is prevented from performing one of the duties which the good of society demands, that is, reinvesting his money, because of the fact that if he did so, he would become a sacrifice to other employers who would refuse to invest, and therefore, not through any fault of the employer, but because of the very system under which we live, many a man who rides in his own carriage is today in reality a *pauper on the community*, in accordance with the rule above laid down.

In writing this work, it has been my endeavor to say nothing that was harsh in its nature, or calculated to appeal to the prejudice of any man, being well content to present my ideas in the simple light of the truth as it appears to me, and even where I have mentioned certain men who are harmful to society, it has only been my intention to treat the question as a political one—not as a moral one. Indeed, from a moral standpoint, under present conditions, I can understand how a man can occupy the position of a money lender, and feel that self defense and duty to himself and family demand that he should invest his money so as to draw the very highest rate of interest possible. My whole desire

is to be honest and truthful with you, but I am afraid that some of these men are not going to be so candid with you. The majority of them will fight the measures I advocate, forgetting that (no matter what their justification is under present conditions) it is their duty to welcome new conditions, from which old evils would be eradicated, thus changing the moral aspect of the question, taking from them the justification of self-defense and placing them in the position of men who wilfully and wantonly, through self-interest and greed, oppose that which is destined to abolish poverty and uplift the human race as a whole. These men will accuse me of the very greatest dishonesty when I advocate the enforced sale of all public utilities to the national government. They will call it confiscation. They will howl about individual liberty and property rights.* They will actually weep. They will forget the days when they themselves asked the government in their behalf to exercise the right of eminent domain. Then they sang a different song. Then they said that the good of the public was the only thing to be considered, and nothing was so sacred or important but that the good of the public and the right of eminent domain were not of greater importance! Not one thing! The old homestead and its cherished memories, where in childhood's happy days we romped through the sweet-faced rooms and out into the flowery garden, and where in later years we knelt by the bed of a

*During the bankers' panic late in 1907 (seven years after the above was written), the bankers took the view that property rights could be ignored in the interest of the general good and refused to pay depositors on demand.

dying parent! The village church whose bells once gave glad acclaim to our happiness, and again sorrowfully tolled forth the tidings of our bereavement! The family burial lot, where we had thought that our dear ones might rest with ashes undisturbed! All of these, it was argued, were properly subject to enforced sale when that sale was necessary for the good of the public in the laying of a railroad. I say to you that those men were right in so arguing at that time. What is it that will make them change their song at this time? Self interest, my friend, self interest. Don't let them fool you.

If it shall be urged that the kind of money advocated by me is impracticable, I answer that even today its practicability is being demonstrated. We pay small bills with postage stamps very frequently, and every manager of large concerns employing messenger boys in large cities will tell you that they have great trouble when they send a boy on a long or a hasty trip, for which they give him a car ticket, by reason of the fact that the boy very often walks and spends his car ticket in a candy store or bake shop. Ask the messenger boys themselves. They will tell you that a street car ticket is as good as money and can be spent as such. If this is true of a small street car company, how much more would it be true if the national government ran all of the great public utilities and issued money redeemable in service?*

It will also be urged that money bearing an automatic tax can not be circulated. I say to you that

*During the bankers' panic late in 1907, Capt. Robert McCulloch, in charge of the street railway lines of St. Louis, advocated the issuance by his company of many thousands of dollars' worth of street car tickets, to be used as nickels.

money should be of that kind which is most valuable to the great common people of the country engaged in honest avocations and legitimate business enterprises. Do not think that this money will be refused by any class of people because of the fact that it is automatically taxed. If a man had a hundred dollars in his pocket at a given date, would the mere fact that in thirty days he must exchange that hundred dollars for ninety-nine dollars cause him to throw it away or refuse to take it? Would not the ninety-nine dollars be some object? And if, through the operation of this kind of money, he would be enabled to get dollars more easily, and if a sum much less than ninety-nine dollars of the new money had a greater purchasing power than a full hundred dollars of our present kind of money, would not these facts cause him to be in favor of the new money and glad to accept it? If a man had to have some of this new kind of money before he could buy his coal, or pay his street car fare, or pay freight charges, or railroad fare, or mail a letter, or use the telegraph, or have a telephone in his house, or have electric light or power, or burn gas, or pay his water rates or his taxes on land and all other taxes, don't you know that he would not refuse this money, but that he would accept it just as eagerly as he does our present kind of money? The only difference would be that he would not try to hoard a large quantity of it, but would reinvest it, and money would circulate much faster than it does now.

Money, to be of service to the people, must be constituted with particular reference to *having its value as a medium of exchange exceed its value as a means*

of hoarding wealth. This should be accomplished by having the present purchasing value of the money absolutely perfect, but its future purchasing value impaired, and having the process of impairment so gradual that it would not destroy the perfection of the present purchasing value. The money advocated in this work will accomplish all these things.

If it shall be urged that public ownership of the great public utilities will be harmful in opening up to political gangs new fields of corruption, I answer that while I believe in municipal ownership of certain of those utilities as a step leading to the result of national ownership which I recommend in this work, still the objection mentioned above is more applicable to municipal ownership than to ownership by the national government, which is advocated by me. I refer you to the postoffice department. What corporation has so many employes and yet has so few instances of rascality? The inspector goes to any part of the country; he goes without warning; he examines the books and he is an expert at his work; he is a stranger absolutely in most instances to the employes whose work and accounts he is to examine, and those employes have no political pull or influence which they can exert on him, and the result is, that although he has every facility for discovering wrongful actions on the part of employes or officials, experience of many years has taught us that very little of that sort of thing is discovered. The objection made to governmental ownership is that it is a *future possibility* that great corruption will prevail. I call your attention to the fact that now, not as a matter of theory, but as a matter of actual

fact, the profits arising from railroads and other great utilities are openly and as a matter of law divided amongst a few persons. You fear that under governmental ownership *some* of these profits *may be* wrongfully used. At present you stand idly by with the knowledge that *all* of these profits are *actually going* into the pockets of a small number of individuals. Your attitude strikes me as rather ridiculous. Let me ask you as a sensible person: Suppose you now pay five cents as a street car fare. Under government ownership (if the same result prevails as prevailed in the United States mail service) you will only have to pay a street car fare of two and one-half cents. At that time you will be saving two and one-half cents which now goes into the pockets of a few. Do you think the two and one-half cents which you thus save will be divided amongst a gang of politicians? I hope you do not think so. Let me ask you again: Suppose you are now working for a railroad and receive a certain amount of salary. Under public ownership (judging from the result as shown in the operation of the United States mail service) you, as an employe, will receive an increase in salary of ten per cent. and upward. Will that ten per cent. be divided amongst a gang of corrupt politicians, as it is now divided amongst a few manipulators of public utilities? If not, why do you try to make yourself believe that more will be stolen from the public under public ownership than is today taken from the public through the operation of the foolish laws which allow a few individuals to pocket, as a matter of alleged right, the profits arising out of these important public utilities?

CHAPTER IX.

TRUSTS.

I suppose at this date any work on political economy which failed to discuss the matter of trusts would be incomplete. Trusts, like all other things, exist for a reason. They are the result of a cause. Their growth is easily traceable. There was once a time when the different mercantile concerns of this country were comparatively small. It is true that the population at that time was small also, but even with the population such as it was, it was found that a limited territory was all that any firm needed in which to do business, but as our postal service was perfected, and as our telegraph and railroad lines began to thickly interlace and penetrate all sections of our land, the facilities for commerce became such, and at the same time, the growth in wealth and importance of some of our business firms became such that it was found that the trade territories of those firms began to interfere with one another, while the firms multiplied in number and produced so extensively that under our present system their output was regarded as over-production. Indeed it became evident that one large firm in any line of industry would be able to supply the demands of the whole country in its line. Now, in the natural course of trade there would have been a great commercial war, involving the ruin of most of the different firms, ruthlessly oppressing the workmen in the different lines of trade, as each firm made an effort to capture the

market, by producing its goods at a smaller price than the others; and finally ending up with all of us at the mercy of the successful firms. But the usual course of trade was departed from. We poor fool common mortals have long smacked our lips over a stock phrase in commercial parlance to the effect that "competition is the life of trade," and it has sounded so good that we have accepted it as true without pausing to consider that, while competition in one direction is a good thing, if the competition be in another direction, it is a very poor thing. Thus, if firms compete with one another to produce a high class article for the public, and vie with one another in rendering the public good service, the result is of undoubted benefit to trade, but, if the competition is in the other direction, and each firm seeks simply to produce a cheaper article than the others do, and seeks to lessen its expenses in every way, the result upon the trade, and upon the firms and laborers engaged in it, is undoubtedly harmful. Competition is, therefore, usually accompanied by bad results as well as good results, because, when firms compete at all, they do not content themselves with competing in the manner mentioned in the first instance above, but the fierce fight goes right on, and the harmful effects ensue which result from the second class of competition instanced above. It did not take our big business men long to find this out, and they decided that, instead of fighting the thing out to see which would be the surviving firm, the best thing for them to do would be for the most powerful amongst them to unite and make one big, strong aggregation of capital, capable of immediately de-

ciding the question of survivorship, and powerful enough to dominate all the smaller firms in business. There are two favorite methods of forming trusts. One of them is undoubtedly criminal on its face, while the other has such a startling resemblance to a lawful corporation that to distinguish it from a lawful one we have to look beyond the mere form and substance in which we find it and go into the matter of the intent and purpose of its creation. In the first instance the various members continue to exist as individual firms, but boldly enter into a criminal agreement with one another. In the other instance, the firms actually abandon their individual capacity and invest their assets in a mammoth concern usually incorporated under the laws of the state of New Jersey. This latter organization is in due form of law, and its criminal feature lies only in the fact that it was formed to create an abnormal condition in the line of industry which it seeks to control. Now, we common people might be very thankful to these trusts for preventing a ruinous commercial struggle in which all of us would have suffered were it not for one thing. That thing is pie! The fact of the matter is that these gentlemen have not given us a finger in the pie at all. They have not run these trusts exactly as they would have been run if the people could have had their say. In fact, it is becoming evident that the gentlemen who formed them had some selfish motive in view aside from the matter of preventing a big commercial war. The trusts remind me of a lot of great big lemon squeezers. The "dear public" acts as the lemon and the stock holders of the trust get all the juice. Some of you may not

have been squeezed yet, but the situation is enough to make a fellow feel "powerful uneasy." The trust operates by running smaller firms out of business, or by forcing such firms to carry out its instructions; by closing down the sources of production of a commodity before they would ordinarily be closed, and by maintaining a fictitious price on the articles in which it deals. When it is perfectly organized it possesses an awful power. It has absolute control of a certain line of industry. If all industries were controlled by trusts, humanity would be helpless. The trusts would be masters of the situation. They could even play the joke of raising the wages of workmen ten per cent. All they would then have to do would be to raise the price of their product twenty per cent. and it might look at first blush as though they were helping the laboring man, but in reality, the operation would only be an extra hard squeeze upon the lemon squeezers. The trust causes money to centralize much quicker than it would if the various members of the trust competed with one another.

The trust is a bad thing. The people say it must go. Under our present system, when it does go, we will have in its stead *the most ruinous war of competition that the commercial world has ever witnessed*, but even that may be preferable to having the whole country under the control of a few men. The fact of the matter is that people need not hope for much relief under any of the old conservative political parties under their present platforms. However, let us see by what means we are to do away with trusts. The current idea of the matter is that criminal statutes of some sort should be passed under which prosecutions may

be brought against the men constituting their membership, looking to the imprisonment of those men, or to the dissolution of their corporate body, or to the confiscation of their property. This is another old-fashioned idea governments have. They attack crime in its results and pay no attention to its causes. It is very much like trying to remedy a break in a water pipe by catching and carrying away the water day after day instead of having a plumber fix the break in the pipe. Would it not be better to stop the cause of trusts and the incentive to form trusts than to try the almost impossible task of defeating these powerful capitalists in a never-ending series of law suits? One of the causes of trusts, as stated, is the fast development of the commercial facilities in this country, and I do not mean that that should be stopped. The other elements in the makeup of the cause of a trust are the centralization of enough capital to absolutely handle a line of industry throughout the whole country, and the incentive which manufacturers have to cause them to enter into a combine to limit production in their line of industry. When the laws which I suggest are put in force, it will be found that these vast aggregations of money capital will be unmanageable and will soon melt away, giving place to the old healthy condition of smaller firms controlling less territory, and as for the incentive to stop the production of commodities, which now exists amongst the members of a trust, the incentive will at that time be the other way, because the products of labor will be the most desirable form of wealth in which to invest, and at that time, if any set of men strives to control the situation, it

will be the object of that set of men to procure as much of the products of labor as possible. In order to do this, they will have to go to the laborer. Therefore, if a trust is attempted to be formed, it will be absolutely powerless, because the source of wealth and the balance of power will be in the hands of the great common people who constitute the laboring classes. My friend, you should think well before you turn aside from the message of hope which I here deliver to you. The formation of trusts indicates that the situation has worked itself to a point where it has to be managed. Should the government manage it or should we let a few men manage it for their own selfish purposes? *Make your choice now!* Certain men in this country at certain times (very properly) cry out for law and order and good government, but at other times, when the shoe is on the other foot, and they think their own ox is going to be gored, they solemnly shake their heads and say, "That government governs best which governs the least." In other words, it is all right to bring the strong arm of the government to bear upon the poverty-crazed striker who threatens to riot, but when the government seeks to pass laws which will keep certain men from producing poverty and distress by their criminal methods, why then—"That government governs best which governs the least."

CHAPTER X.

RECAPITULATION, SHOWING THE SIMPLICITY OF THE REMEDY SUGGESTED.

And now I will indulge in a short recapitulation, as from it you will get a much clearer idea than it has been possible to convey to you in the necessarily separate treatment above given to the various laws which I suggest: If, in my description of the plan of government which I advocate, I have presented it in a light which makes it appear to be complicated, I have indeed been unfortunate in the use of language, for its simplicity is one of its leading features. Upon careful examination it will be found that, as promised in an earlier chapter, I have taken up the complicated question of political economy, and at the point of its juncture to the problem of civil government, have discussed it along the lines of an exact science. Thus, taking the doctrine of equality amongst men as being the very foundation and basic principle of a republican form of government, I have made a practical application of that doctrine to the three things of most importance to physical man, to-wit: land, labor and money—land being necessary to the existence of humanity at all; labor being the means by which man procures from the land his existence, and money being the means by which the products of labor are exchanged between men. By taxing each of these in the manner suggested in this book, a continual process of equalization will be kept up with reference to all of them. "What!" you ask,

“do you mean to say that you have anywhere suggested a tax on labor?” Certainly I have. It is true I have not done so in the case of the labor of the individual man, for there is no necessity for such a tax, there having always been a perfect equalization of labor in that respect, but where machinery is used, and one man is thus enabled to control what is equivalent to the labor of many men, it will be seen that my plan provides for a tax upon labor as represented by that machinery. It is a plan which discards the old-fashioned idea of “taxation for revenue only” and puts in its place a scientific taxation. The savage chieftain of the African interior is just as far advanced in statecraft as the American politician of today who advocates “taxation for revenue only.” Having provided for a beneficial tax on the three important things mentioned above, my plan of government develops itself in a natural manner and right in line with the idea of equalization, provides for a distribution of all excess taxes by means of an equal pension. Thus, you see, it not only prevents the harmful centralization of capital, but, on the other hand, absolutely insures that at least once a month a vast sum of money shall be placed down at the bottom of the channels of trade in the shape of a small sum in the hands of each citizen, and enabling everyone, no matter how unfortunate or poor, to be a consumer of the products of labor to at least a small amount. Another feature about the plan is that, although simple, it is adequate. In other words, when a people can once properly regulate and control land, labor and money, other things with reference to their physical welfare are of such little relative im-

portance that the problem of civil government may be said to have been solved. If we can prevent the acquisition and speculative holding of land by capitalists, and if we can fix things so that the products of labor will be the most desirable form in which to hold wealth, either for hoarding or for speculation, and so that the laborer will be aided and not harmed by machinery, and if we can have a money which will circulate and be a real medium of active exchange, and be at the same time of higher purchasing ability than any money we have today, then I say to you that we need not worry about other affairs of government, but that, when these important matters are settled, matters of police and fire protection, elections, public schools, public trials, etc., will be found to be amongst the simpler problems which have already been almost perfectly solved. When commerce was in its infancy throughout the world these other matters were of more importance and they have long since received the attention of lawmakers and been dealt with in a manner comparatively satisfactory to all persons. But from a small beginning, that great thing known as commerce has grown and grown until today it rules the destinies of men and of nations, and the people of every country base their hope of prosperity and success in every line upon their hope and struggle to become a great commercial people. Such being the position which commerce occupies among all civilized people of today, it must become evident to everyone that what a great commercial people needs is a system of laws which looks after and protects the commercial welfare of that people—not a system which by means of trade

balances in its favor with other nations enables it to fatten on the suffering masses of those other nations, but a system by which a great people with a great country can be prosperous within themselves, no matter how the trade balances may be. That, and that alone, should be the paramount issue in this country today. Writers upon the subject of political economy have long deplored the fact that it was a subject which was not readily reduceable to the rules and limits of an exact science, and have apparently held up their hands in despair at the task. Such being the position taken by the professors and students of a subject so important in the affairs of men, it has been well said that "the price of liberty is eternal vigilance." When there is chaos and complication, and lack of scientific system, men must indeed keep a vigilant eye upon their rights and liberties. The reason that men have desired to reduce civil government to a science, and one of the most beneficial features of the plan of government which I advocate in this book, is that such a scientific form of government will relieve men from maintaining this "eternal vigilance" with reference to their rights and liberties, and will permit them to turn their whole attention to those nobler and higher aims for which they were undoubtedly created, safe in the knowledge that their mere physical and corporal welfare is being provided for by a scientific and mighty system, which, because of its automatic nature, is absolutely proof against mistake and impervious to corruption. The world is going ahead. Not only is it going ahead, but it is moving at a speed which is marvelous. Governments can not stand still. Already has

the ship of state tugged too long at the anchor of conservatism. We must up with the anchor and unfurl the sails of advanced statecraft to the strong winds of the new era. Even now can the sullen roar of the storm of popular discontent be heard afar. No government can stand still and weather that storm. The successful government of the future will be the one which rides abreast of the times. Something must be done in the United States today. The mighty influence and power possessed by corporations indicate it. The awful grasp of the trusts indicates it. The riots, distress and failure which follow in the wake of the great unsuccessful labor strikes of the day indicate it. The apparent intention of citizens to take the situation into their own hands by forming great labor unions indicates it. The foreign element at work, as represented by our citizens naturalized during the last quarter of the century, indicates it. The buying and stealing of elections indicates it. I say it is the duty of all true Americans to take the situation in hand while it can be managed. We want to keep our present form of government. We don't want anything similar to a French Revolution. Neither do we want a foreign Socialism. If we must have that which smacks of Socialism, let it be a sober, intelligent, American Socialism, grown up out of the calm reasoning which men possess in times of peace, and a Socialism over which our liberty-loving citizens may be proud to have their flag wave, happy in the knowledge that there has been a great stride in the march of progress which, since its birth, that flag has led, *and that their individual rights and grand*

public institutions still remain with them, strengthened and not weakened by that Socialism.

Having mentioned in this work land, labor and money as the three things of most importance to physical man, some curiosity may have been aroused as to what subjects I consider as coming next in order. Undoubtedly the next in importance is the privilege of trading or doing business by the individual with a view to amassing wealth by means of operating industries that are of a public nature, such as railroads, etc. The next in importance is the privilege of doing business in the ordinary lines of production and trade. The first of these last mentioned subjects needs no tax to control it, as it is controlled under the plan I suggest by turning the entire matter over to the government. The second constitutes that great network of legitimate business enterprises which it is the design of this work to save from a state of absolute Socialism and to protect and strengthen, together with the laborers employed both in it and in the industries of a public nature mentioned above as constituting the first class. The plan I have suggested will be found adequate for this purpose. There are some people, however, who think that, in order to have a large number of firms of average importance in this latter class, and in order to prevent any of them from becoming too powerful, or any one man becoming dangerously rich, the country should be districted with reference to each line of industry and each firm restricted to its own district or charged a tariff on all goods it ships into another district. Should the American people at any time in the future deem it wise to put in oper-

ation such a tariff between such trade districts, this, too, would constitute a tax which would be considered burdensome by the people unless it was returned to them by means of the pension mentioned in this work.

CHAPTER XI.

CONCLUSION.

I had intended to touch upon some other matters in this work, and in addition, to set forth in detail the various steps which it will be necessary for the government to take in order that the plan here suggested may be put into operation without undue jolt or jostle in making the change, but as my work is upon a subject which unfortunately is considered dry and uninteresting by a great number of people, I have determined to leave those matters as subjects for consideration in some future work, feeling that, if I make this book too lengthy, it may prevent its being read by a class of people into whose hands I very much desire that it shall fall. People are but human, and even the greatest students would hesitate before they essayed to read a lengthy work by an obscure author. As Holmes puts it in his "Elsie Venner," "The boldest thinker may have his moments of languor and discouragement, when he feels as if he could willingly exchange faiths with the old beldame crossing herself at the cathedral door—nay, that he could drop all coherent thought and lie in the flowery meadow with the brown-eyed, solemnly unthinking cattle, looking up to the sky and all their simple consciousness staining itself blue, then down to the grass, and life turning to a mere greenness, blended with confused scents of herbs—no individual mind movement such as men are teased with, but the

great calm cattle sense of all time and all places that know the milky smell of herds."

Men and women of America, you are asleep; I wish to awaken you. You are drifting; I wish to guide you.

Stand up, ye laboring classes, of all races, both men and women, in the city and on the farm! Assert your rights with intelligence and with dignity. Let not cynics and pessimists lead you to believe that there is no hope for you. Agree upon the feasible and practicable action which this book advocates, and then all pull together with only one end in view. Form public ownership clubs in every city and town in the United States, with a view to turning the properties thus acquired and created over to the national government, when the time comes, as a basis for the money system herein advocated. Let your motto be, "Now is the time." Co-operate to the end that the blessings promised you in these pages may be yours, and that you may live under the benign protection of a government that has a warm personal interest in every citizen—a government alive and quivering with human impulses, and a government whose just laws will reflect the calm reasoning of an advanced age, and the mighty pulsations of whose monetary system will resemble the action of a great human heart, thoroughly and often pumping life and energy into both the weakest and the strongest channels of trade, correcting the disorders of commerce, and dispelling business stagnation wherever it may threaten to form.

Stand up, ye ministers of the gospel and fathers of religion, of whatever faith ye may be! I ask of

you your co-operation. This is a work you may well take up, and I want to hear a sermon on this subject from every pulpit in the land. While crime or sin is abnormal, yet it is not unnatural, but follows from logical causes. Hence it is that in our prayers we ask God to "Lead us not into temptation." Those who are in abject poverty are continually surrounded by temptations. If you will help to abolish poverty, you will not only lead men from temptation, but you will strengthen their souls as well as their bodies.

Stand up, ye professional men and teachers of art and of science! I know that you are in the front ranks of progress and that the condition of society is loathsome to your senses. I know that you need no argument to convince you of the innumerable crimes and misfortunes which accompany poverty, and that you are intelligent enough to see that the prosperity of all classes depends upon the prosperity of the great mass of the people, and I know that I am safe in relying upon your co-operation.

Stand up, ye bookkeepers, telegraphers, stenographers and clerks! I ask your co-operation. You are laboring men and you should always vote in favor of those laws which will most protect laboring men.

Stand up, ye manufacturers, merchants and middle men! I ask your co-operation. The road to success has always been uphill work with you. No matter how honest, or talented, or energetic, or industrious you have been, your burden has nevertheless grown heavier as the inflexible commercial laws of the day have pressed you toward the wall. Many of you have gone to your beds at night in a solvent

condition and have risen in the morning ruined men, and many of you who today call yourselves successful men have left to you as the scars of battle shattered nerves, ruined health and uneasy consciences. I know that you will welcome any plan by which men aid instead of ruining one another.

Stand up, ye labor unions! I ask your co-operation. You have already made praiseworthy efforts in behalf of the laborer and I know that you will hail with delight a plan of government which places labor in the position now occupied by gold.

Stand up, ye charitable societies, and men and women of benevolence! I ask of you your co-operation. With all your work and all your prayers, you have been able to make but a slight impression on the poverty, distress and crime in this world. I say to you that when we have in operation the great pulsating governmental machine which this book advocates, so powerful and strong will it be, that it will be just as difficult for any man or set of men to harm society at that time as you today find it difficult to aid society and battle with its evils.

Stand up, ye mothers, sisters and daughters! I ask your co-operation. I know that if you had in your hands the ballot, you would vote for a system of government under which labor would become so valuable that a woman would receive the same salary as a man for the same work. I know, too, that your tender sympathies would prompt you to vote for a system which protected the weak.

Stand up, ye school children of America, ye bright-eyed, quick-witted, ambitious and stout-hearted sons and daughters of liberty! You are the

hope and pride of a race. On your shoulders will soon descend the burden of meeting some of the gravest situations that have ever confronted humanity. I know that you will take up the work bravely and cheerfully, and I know that you will succeed. On the one hand the great money powers and trust magnates may plot against you in secret, while on the other the fiery-headed advocates of anarchy and bloodshed may wildly wave their red flag of revolt, but I know that you are too strong to let the one class oppress you, and not so weak as to yield to the foolish and ruinous teachings of the other. I invite your close study to the plan of government suggested in this book, and I know that I can count upon your co-operation.

Stand up, oh Omnipotence, from Thy Judgment Seat, and grant aid to the struggling races Thou hast created! Extend Thy Beneficent Hand over this, my work, and if it be worthy in Thine Eyes, grant it Thy blessing. Thou Who hast showered Thy manifold gifts upon humanity, grant to it the key of using those gifts. Grant that men may not offend Thee longer with their rapacity, but that they may live in brotherhood, practicing not greed, but benevolence; building up instead of pulling down, and competing not in sordid price, but in excellency and endeavor. Strengthen Thou with Thine Infinite Love the bonds of harmony to the end that earth may be drawn closer to Heaven, and if there be those whose regard for the fleeting things of this world is so strong as to cause them to oppose their individual interests to the good of a race, "Forgive them; they know not what they do." With Thine aid humanity

will care not for the opposition of these men, "For Thine is the Kingdom and the Power and the Glory, forever and ever. Amen!"

NOTE.—The better nature of the author of this book will not permit him to quit his labor without some apology for the egotistical style in which it is written, and for the contemptuous manner in which it affects to treat the opinions of other men. I wish to say, in this closing note, that while I do not retract one syllable which I may have written as to the merits of the plan of government advocated in this work, and while I am sincere in every suggestion which I have made, still that part of it which gives undue prominence to the alleged personal ability and individual importance of the author was inserted solely that attention might be attracted and a certain portion of the American public thus coaxed into studying a subject which it is prone to overlook in its readings. In view of the habit which has of late years manifested itself amongst my contemporaries of merging their ideas on political economy into the pages of an alleged novel, I think I am excusable for adopting my present style.

With continued good wishes for the future welfare of the American people, I am,

I. CRANE CLARK.

October 1, 1900.

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